



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
3000 MARINE CORPS PENTAGON
WASHINGTON DC 20350-3000

Canc: Nov 2017

MCBUL 4440.4
LPC
12 SEP 2016

MARINE CORPS BULLETIN 4440.4

From: Commandant of the Marine Corps
To: Distribution List

Subj: FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS
(FLIPL)

Ref: (a) Title 5 U.S.C., Section 5514
(b) Title 10 U.S.C., Section 2775
(c) Title 31 U.S.C., Section 3716
(d) Title 37 U.S.C., Section 1007
(e) Statement of Federal Financial Accounting Standards (SFFAS) 3
(f) OMB Circular A-123
(g) OMB Circular A-136
(h) Federal Acquisition Regulation, part 45
(i) JP1-02
(j) DoD Manual 4140.01, DoD Supply Chain Materiel Management Procedures: Operational Requirements, 10 February 2014
(k) DoD 4140.25-M, DoD Management of Bulk Petroleum Products, Natural Gas, and Coal, 28 June 2013
(l) DoD 4165.63-M, DoD Housing Management, 28 October 2010
(m) DoD Instruction 5000.64, Accountability and Management of DoD Equipment and Other Accountable Property, 19 May 2011
(n) DoD 7000.14-R, Financial Management Regulation, June 1998
(o) Marine Corps Manual w/CH 1-3
(p) MCO P1700.27B W/CH 1
(q) MCO 4400.150
(r) MCO P4400.151B
(s) MCO 8010.13
(t) MCO P12000.11A W/CH 5
(u) JAGINST 5800.7F
(v) Manual for Courts Martial (2012)

DISTRIBUTION STATEMENT A: Approved for public release;
distribution is unlimited.

12 SEP 2016

- (w) MCO 4400.160
- (x) SECNAV M-5210.1
- (y) SECNAVINST 5211.5E
- (z) 5 U.S.C. 552a

- Encl:
- (1) Marine Corps Financial Liability Investigation of Property Loss (FLIPL) Policy and Procedures
 - (2) DD 200, Financial Liability Investigation of Property Loss Instructions
 - (3) Financial Liability Investigation of Property Loss Process Flow
 - (4) Sample Financial Liability Officer Appointment Letter
 - (5) Sample Assessment of Financial Liability by the Approving Authority
 - (6) Sample Request for Reconsideration Letter
 - (7) Sample Appeal Letter
 - (8) FLIPL Register Template
 - (9) Checklist and Tracking Document for the FLIPL

1. Purpose. To provide policy, procedures and define responsibilities to govern the management of the financial liability investigation of property loss (FLIPL) process in accordance with references (a) through (w). This Bulletin introduces new procedures, regulations, and processes within the Marine Corps for documenting, investigating, and assessing financial liability for government property that is lost, damaged, or destroyed.

a. The FLIPL investigative process as prescribed in reference (n) Volume 12, Chapter 7 replaces current Marine Corps policy set forth in Chapter 5 of reference (q) of conducting investigations for lost, damaged, or destroyed government property in accordance with the Manual of the Judge Advocate General (JAGMAN). The change from JAGMAN investigation procedures to the FLIPL process will position the Marine Corps to be in alignment and compliance with Department of Defense (DoD) property control policies, procedures, and regulations with regards to the loss, damage, or destruction of government property. Alignment and compliance is critical to the Marine Corps in achieving and sustaining audit readiness and increasing property visibility and accountability.

b. FLIPL process are to:

(1) Research and investigate the cause of loss, damage, or destruction of government property and determine if it was attributable to an individual's negligence or abuse.

12 SEP 2016

(2) Assess financial liability against individuals who have lost, damaged, or destroyed government property or relieve them from liability if there is no evidence of negligence, willful misconduct, or deliberate unauthorized use of the property.

(3) Provide documentation that can be used to support the adjustment of accountable property records.

(4) Provide commanders with historical data which will enable them to take corrective action to prevent recurrence of the incident.

c. The DD 200, "Financial Liability Investigation of Property Loss" is used to document the circumstances concerning the loss, damage or destruction of government property. It serves as, or supports a voucher for adjusting the property from accountable records. It also documents relief from or a charge of financial liability against an individual.

2. Background

a. Accountability. Commanders or accountable officers are responsible for government property under their control per references (o) and (q). They are responsible for ensuring internal controls for property control are established, enforced and operating effectively. Marine Corps personnel (including civil service employees) are responsible for the proper care and safekeeping of government property regardless of whether or not it is on property records. Marine Corps personnel and employees can be held financially liable for the loss, damage, or destruction of Marine Corps property directly caused by their negligence, willful misconduct, or deliberate unauthorized use. No financial liability will be assessed against an individual until an official investigation has been conducted in accordance with the procedures set forth in this bulletin, specifically for the purpose of determining the facts and the circumstances related to the loss, damage, or destruction of the property, and the evidence corroborates a determination of financial liability.

b. Legal Foundation. Statutory authority governing the accounting for government property lost, damaged, or destroyed and the fixing of responsibility and liability through the FLIPL process is codified United States statutes. This authority includes but is not limited to: Title 10, United States Code (U.S.C.), Section 2775; and Title 37, U.S.C. Section 1007.

12 SEP 2016

Statutes pertaining to the collection of administratively established debts, such as liability for the loss, damage, or destruction of government property, include, but are not limited to: Title 5, U.S.C. Section 5514; Title 10, U.S.C. Section 2775; Title 31, U.S.C. Section 3716; Title 37, U.S.C. Section 1007. Reference (n), DoD Regulation (DoDR) 7000.14-R, DoD Financial Management Regulation, Volume 12, Chapter 7 provides the minimum requirements for the FLIPL process and the conduct of a FLIPL investigation.

3. Action

a. Commander's Intent. This Bulletin provides policy and guidance that establishes roles, responsibilities, processes and procedures for preparing, submitting and resolving FLIPLs throughout the enterprise in both garrison and deployed environments. This Bulletin also ensures that Marine Corps processes and procedures are in compliance with DoD regulations for documenting the loss, damage or destruction of government property.

b. Concept of Operations. All Marine Corps commands and activities will comply with the guidance contained within this Bulletin. Adherence to the provisions established in this Bulletin will ensure accurate accountability of government property. Enclosure (1) provides Marine Corps FLIPL policy and procedures. Enclosure (2) provides instructions for completing DD 200 and associated FLIPL documents. Enclosure (3) is a FLIPL process flow chart. Enclosure (4) is a Sample Financial Liability Officer Appointment Letter. Enclosure (5) is a Sample Notification of Assessment of Financial Liability by the Approving Authority. Enclosure (6) is the Sample Request for Reconsideration Letter. Enclosure (7) is the Sample Appeal Letter. Enclosure (8) is a FLIPL Register Template. Enclosure (9) is a FLIPL Checklist.

c. Tasks

(1) Deputy Commandant, Installations and Logistics (DC I&L)

(a) As the Enterprise Ground Equipment Manager, serve as the Marine Corps' coordination agency for all policy issues concerning management of the FLIPL process.

12 SEP 2016

(b) Provide current policy and guidance for management of the FLIPL process in accordance with DoD policy and procedures.

(c) Ensure this Bulletin is incorporated into applicable Marine Corps Order.

(d) Monitor this Bulletin for compliance as a Headquarters, Marine Corps item of interest and provide assistance to Marine Corps organizations as necessary.

(2) Marine Corps Commanders

(a) Ensure adherence to the requirements in this Bulletin for all organizations under your purview.

(b) Develop and implement internal controls, policies, and procedures to facilitate the execution of this Bulletin.

4. Administration

a. Recommendations concerning the contents of this Bulletin are invited and should be submitted to the Assistant Deputy Commandant, Installations and Logistics (LP) attention to Logistics Policy and Capabilities Branch via the appropriate chain of command.

b. Records created as a result of this Order shall be managed according to National Archives and Records Administration approved disposition per reference (x) to ensure proper maintenance, use, accessibility and preservation, regardless of format or medium.

c. Privacy Act. Any misuse or unauthorized disclosure of Personally Identifiable Information (PII) may result in both civil and criminal penalties. The DON recognizes that the privacy of an individual is a personal and fundamental right that shall be respected and protected. The DON's need to collect, use, maintain, or disseminate PII about individuals for purposes of discharging its statutory responsibilities will be balanced against the individuals' right to be protected against unwarranted invasion of privacy. All collection, use, maintenance, or dissemination of PII will be in accordance with

12 SEP 2016

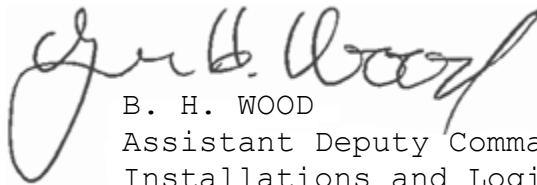
the Privacy Act of 1974, as amended (reference (y)) and implemented per reference (z).

d. The policies and procedures within this Bulletin supersede the content within Marine Corps Order 4400.150, Chapter 5.

5. Command and Signal.

a. Command. This Bulletin is applicable to the Marine Corps Total Force.

b. Signal. This Bulletin is effective the date signed.

A handwritten signature in black ink, appearing to read "B. H. Wood", is written over a light gray rectangular background.

B. H. WOOD
Assistant Deputy Commandant for
Installations and Logistics

DISTRIBUTION: PCN 10205475500

12 SEP 2016

Enclosure 1

MARINE CORPS FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS
(FLIPL) POLICY AND PROCEDURES

1. Financial Liability Investigation of Property Loss (FLIPL). The policy and procedures provided in this Bulletin are based on U.S.C., Federal Government, DoD and Marine Corps policies, regulations and orders cited in the references. FLIPLs are used strictly to determine whether financial liability should be assessed against individuals involved with lost, damaged, or destroyed property. The following guidance concerning possible disciplinary action is provided.

a. Assessment of financial liability will not be used instead of, or as a form of disciplinary action.

b. Commanders must decide if a case warrants taking disciplinary action against Marines under the Uniform Code of Military Justice (UCMJ) or civil service employees. This is a separate action and is not related to the assessment or relief of financial liability.

2. Definitions. The following definitions are pertinent to this Bulletin.

a. Commanding Officer (CO). Per reference (o), a commanding officer (CO) is one who is properly appointed to command an organization, or who under applicable provisions of law, regulations, or orders, succeeds to such command due to transfer, incapacity, death, or absence of the previous CO. Marine Corps COs are titled as commander, commanding general, commanding officer, director, or inspector-instructor. Other titles used to designate Marine Corps COs shall be made only with the specific approval of the CMC.

b. Accountable Officer (AO). Accountability of public resources is inherent to command. In pecuniary and fiduciary terms, this responsibility is a commander's role as an AO. This function is tied to both Title 10 and Title 31 of U.S.C. responsibilities relative to the proper accountability of appropriations or materials and services associated to an activity. For purposes of this Bulletin, the term "Accountable Officer" is generally synonymous with "CO" unless otherwise designated. Due to certain unique command structures, general officers may be responsible for those tasks/duties that are normally inherent to the billet of CO. A General Officer has the

12 SEP 2016

authority to assign the most appropriate Officer to execute the duties as the AO. Once assigned, this Officer will have the same authority associated with the management of a supply account as a CO would. If the AO in this case is prohibited from performing certain duties associated with supply procedures (i.e., does not have convening authority for JAGMAN investigations), the action will be referred to the next higher level in the chain-of-command which has the appropriate authority.

c. Supply Officer. The supply officer (SupO) performs the supply administrative and property accounting functions for the command. As a special staff officer to the CO, they are responsible for ensuring the CO is made fully aware of the unit's current supply and fiscal postures; and recommending corrective procedural changes so detrimental supply situations may be prevented or corrected. Synonymous with accountable property officer (APO).

d. Accountable Property Officer (APO). Per reference (m), an APO is an individual who, based on his or her training, knowledge, and experience in property management, accountability, and control procedures, is appointed by proper authority to establish and maintain an organization's accountable property records, systems, and/or financial records, in connection with property, irrespective of whether the property is in the individual's possession. This includes the requirement for maintaining a complete trail of all transactions, suitable for audit, and the ability to implement and adhere to associated internal controls. Within most Marine Corps organizations, the term "accountable property officer" is synonymous with the term "supply officer."

e. Responsible Officer (RO). An individual appointed by the CO/AO who accepts custodial responsibility for property, typically by signing a hand-receipt. The RO is directly responsible for the physical custody of accountable property under their control. Synonymous with "property custodian." For the purpose of this policy, ROs may be held financially liable for the loss, damage, or destruction of property under their control.

f. Responsible Individual (RI). A responsible individual (RI) is any person appointed in writing by an RO/property custodian to have custodial responsibility for property in their possession. RIs (i.e. military, DoD civilians, government contractors) are directly responsible for the physical custody, accountability, and safekeeping of accountable property under their control.

12 SEP 2016

g. Approving Authority. An approving authority is a Marine Corps officer or civilian employee authorized to appoint a financial liability officer and to approve financial liability investigations. The approving authority does not have to be a court-martial convening authority. The approving authority makes determinations to either relieve involved individuals from financial responsibility or approve assessment of financial liability. Approving authority is inherent in a commander's responsibilities as an accountable officer. The approving authority's responsibilities may be delegated only by General Officers in command; however, the delegations must be in writing and cannot be delegated further. The approving authority may act as the appointing authority or designate an appointing authority in writing. The approving authority is normally senior to the appointing authority. The roles of the approving and appointing authority in the Marine Corps for most using units will be the CO; however, in cases where the commander is a general officer, the approving/appointing authority may be delegated to the appropriate staff principal. See paragraph 10 for information on approving authority responsibilities.

h. Appointing Authority. An appointing authority is a Marine Corps officer or civilian employee designated in writing by the approving authority. The approving authority may designate a Major (O-4) or DoD civilian employee in the grade of GS-13 or above as an appointing authority. The approving authority may act as the appointing authority. The appointing authority appoints financial liability officers, if required; approves or disapproves the recommendations of the SupO/APO, or financial liability officer; and recommends actions to the approving authority. The appointing authority is normally senior to the SupO/APO, and financial liability officer.

i. Financial Liability Officer (FLO). A FLO can be a Marine Corps commissioned officer; warrant officer; enlisted Marine in the rank of Gunnery Sergeant (E-7) or higher; or civilian employee (GS-12) or above. Per reference (n), the FLO is designated in writing by the approving/appointing authority to conduct a FLIPL investigation. The FLO must be a "disinterested" party with no interest in the custodianship, care, accountability, or safekeeping of the property requiring investigation. Accordingly, organizational supply personnel must not be appointed as a FLO. Additionally, per reference (w), Field Supply and Maintenance Analysis Office personnel cannot be assigned as a FLO.

12 SEP 2016

j. FLIPL Manager. The FLIPL manager acts as the organization's focal point for FLIPL guidance and procedures. The appointing authority will normally designate the SupO or APO in writing as the FLIPL manager.

k. Marine Corps Property. For the purpose of this policy, the terms "government property" and "Marine Corps property" are synonymous. Depending on where property is located in the supply chain, Marine Corps property is categorized in the two categories of "supply system stock" or "property record items." Supply system stock includes materiel held at intermediate or wholesale supply activities for issue to end-use customers. Property record items include all Marine Corps property that has been fielded to its final destination in the supply chain. See paragraphs 24 and 25 for detailed information.

3. Initiator of the FLIPL. The initiator of a FLIPL will normally be the individual that has the property on their property records at the time of the incident (e.g., RO/property custodian, SupO). A FLIPL may also be directed by the unit CO/AO or agency head in cases of repetitive losses, evidence of negligence or abuse, or large dollar losses. In cases where an individual has been subcustodied responsibility for property belonging to an AO who is not in the chain of command of that responsible individual (e.g. base property in the custody of a tenant organization, or individual combat clothing and equipment issued to a Marine), that individual's command will initiate the FLIPL and make the SupO or APO of the external organization aware of such. Upon determination of financial liability, the completed FLIPL investigation will be forwarded to the AO who owns the property for proper disposition of the property from the property records.

4. Mandatory Initiation of a FLIPL. Initiate and process a DD 200 for lost, damaged, or destroyed government property when one or more of the situations listed below exist. Process the DD 200 in accordance with this Bulletin at the time the loss, damage, or destruction is discovered. The DD 200 will be used to document the circumstances leading to the loss or damage of government property. Initiating a DD 200 doesn't always require the appointment of a FLO for a formal investigation. A DD 200 will be processed when:

a. As shown in the table below, any controlled item as identified by a Controlled Inventory Item Code (CIIC) of 1-6, 8, 9, N, P, Q or R has been lost, damaged, or destroyed. FLIPL reports containing classified information must bear an appropriate security classification.

12 SEP 2016

CONTROLLED INVENTORY ITEM CODE (CIIC) (Table 61 DoD 4100.39-M)	
A code indicating the security classification and/or security risk or pilferage controls for storage and transportation of DOD assets.	
Code	Definition
\$	This code identifies nuclear weapons use control (uc) ground equipment which is CIIC unclassified but may require special controls. Use control ground equipment is described as recorders, verifiers, adapters, power supplies, cables, programmers, monitors, controllers, code processors, power converters, computers and data modules which perform a nuclear weapon use control function. (see note (2) below).
1	Highest Sensitivity (Security Risk Category I (SRC-I)) - Unclassified AA&E. Non-nuclear missiles, recoilless rifles and rockets in a ready-to-fire (certified round) configuration. Examples: (e.g., patriot missile launch cannister, FIM-92 Stinger, TOW, Javelin, M72 LAW, M136 AT4 LAAW, M141 BDM) and explosive rounds for non-nuclear missiles and rockets. This SRC also applies in situations where the launcher tubes and explosive rounds, though not in a ready-to-fire configuration, are jointly stored or transported.
2	High Sensitivity (SRC II) - Unclassified AA&E.
3	Moderate Sensitivity (SRC III) - Unclassified AA&E.
4	Low Sensitivity (SRC IV) - Unclassified AA&E.
5	Highest Sensitivity (SRC I) - Secret AA&E.
6	Highest Sensitivity (SRC I) - Confidential AA&E.
7	Non-Sensitive (SRC-N/A) - Unclassified AA&E: Or items assigned a demilitarization code other than A, B, Q, or P for which another CIIC is inappropriate. (Note: The loss, theft, unlawful disposition, and/or recovery of an item with CIIC 7 will be investigated in accordance with DoD-4000-25-2-M AND DoD 7000.14-R, Volume 12, Chapter 7).
8	HIGH SENSITIVITY (SCR) - CONFIDENTIAL AA&E
9	This code identifies an item as a Controlled Cryptographic Item (CCI). CCI is described as secure telecommunications or information handling equipment, associated cryptographic component, or other hardware item which performs a critical comsec function. Items so designated are unclassified but controlled, and will bear the designation "controlled cryptographic item or CCI."

12 SEP 2016

A	Confidential - Formerly Restricted Data
B	Confidential - Restricted Data
C	Confidential or Moderate Sensitivity (SRC III) and Low Sensitivity (SRC IV) - Confidential AA&E. (Item will be stored and transported in accordance with the provisions of DoD 5100.76M or DoD 5200.1R Information Security Program - Whichever is more stringent).
D	Confidential - Cryptologic
E	Secret - Cryptologic
F	Top Secret - Cryptologic
G	Secret - Formerly Restricted Data
H	Secret - Restricted Data
I	Aircraft Engine Equipment and PARTS
J	Pilferage - Pilferage controls may be designated by the coding activity to items coded U (Unclassified) by recording the item to J.
K	Top Secret - Formerly Restricted Data
L	Top Secret - Restricted Data
M	Handtools and Shop Equipment
N	Firearms Piece Parts and Nonlethal Firearms
O	Item contains unclassified naval nuclear propulsion information; disposal and access limitations are identified in OPNAVINST N9210.3.
P	Ammunition and Explosives
Q	A drug or other controlled substance designated as a Schedule III, IV, or V Item, in accordance with the Controlled Substance Act of 1970. Other sensitive items requiring limited access storage.
R	Precious metals, a drug or other controlled substance designated as a Schedule I or II item, In accordance with the Controlled Substance Act of 1970. Other selected sensitive items requiring storage in a vault or safe.
S	Secret
T	Top Secret
U	Unclassified
V	Individual Clothing and Equipment

12 SEP 2016

W	A component as defined in AFI 91-101, Air Force Nuclear Weapons Security Program, and identified in Technical Order 21M-LGM-30F-12-1, Minuteman Nuclear Security PROCEDURES for the WS-133A-M/B Weapon System.
X	Photographic Equipment and Supplies
Y	Communication/Electronic Equipment and Parts
Z	Vehicular Equipment and Parts

b. There is evidence of abuse, gross negligence, willful misconduct, or deliberate unauthorized use, fraud, theft, or if negligence is suspected in the management of government property.

c. Initial causative research for lost or missing property is non-conclusive and does not identify the cause of the discrepancy in the supply system or property account.

d. Supply system stock records are adjusted in excess of \$2,500 for pilferable items. Supply system stocks are those inventories where a stock record account is required to be maintained, showing by item the receipt, issue, and disposal of property, the balances on hand, and such other identifying or stock control data as may be required (see paragraph 24). Pilferable Items are items with an associated CIIC which are easily transportable or concealable; have a ready resale value or application to personal possession; and are subject to theft. These items include television sets, monitors, computers, electrical devices with data input and output on a flat information display tablet (tablet pc, personal digital assistant), video communication systems, desktop appliances and pc video conferencing systems (e.g., Tandberg, etc.), mobile telephones, projectors, global positioning navigation equipment, commercial tents or shelters. Pilferable property requires formal supply accounting down to the user level throughout the life of the asset.

e. Supply system stock records are adjusted in excess of \$16,000 for non-controlled or non-pilferable items.

f. The specific handling loss of a specific bulk petroleum product exceeds the allowable loss for that product, and the dollar value of the total loss exceeds \$1,000. See paragraph 27.

g. Marine Corps property in the possession of a contractor is lost, damaged, or destroyed. See paragraph 26.

12 SEP 2016

h. Public funds or other negotiable instruments are lost and the value is \$750 or greater.

i. Repetitive cases of loss, damage, or destruction occur, even though any one by itself would not warrant the processing of a FLIPL.

j. Marine Corps property is lost, damaged or destroyed while under the control of a non-appropriated fund (NAF) organization. Coordination with the NAF activity is essential because items procured with NAF funds are processed differently than those procured with O&M funds.

k. Unrecorded Property. The requirements for a FLIPL apply whether or not the government property is recorded on an accountable record.

5. When a FLIPL is Not Mandatory. A FLIPL is not required when:

a. An individual voluntarily wishes to pay for property that was lost, damaged, or destroyed and the item is not one that otherwise requires a FLIPL.

b. A vehicle accident investigation report indicates that gross negligence, willful misconduct, or deliberate unauthorized use was not involved and it is not necessary to adjust property records.

c. Property belonging to other DoD activities is lost, damaged, or destroyed by Marine Corps military or civilian personnel attached to another DoD activity. If required, these instances are handled under the owning component's regulations or interservice support agreements. Marine Corps personnel or employees held liable for the loss of, or damage to, another DoD component's property are subject to FLIPL procedures of the other component.

d. Losses or damage due to combat operations or natural disaster.

6. General Overview of DD 200 Processing Procedures.

a. Step 1 - Initiation Process. After completing causative research, per reference (n), with the SupO or APO to verify that property is missing, the individual with direct responsibility for the lost, damaged, or destroyed property will initiate the DD 200 to describe known circumstances for the incident. The DD 200 will

12 SEP 2016

be provided to the SupO or APO for assignment of an inquiry/investigation number for tracking purposes. The SupO or APO will then forward the DD 200 to the appropriate approving/appointing authority with a recommendation concerning whether a formal investigation is warranted.

b. Step 2 - Investigation and Recommendation Process. The approving/appointing authority will review the narrative portion of the DD 200 from the initiator. Based on recommendations from the SupO or APO, the approving/appointing authority will appoint a FLO if deemed necessary. After seeking legal advice, the FLO will investigate the incident. The FLO will provide recommendations concerning negligence or financial liability to the approving/appointing authority. At this time, the approving authority may choose to drop or recommend the removal of the lost or missing item from the property records while financial liability is being determined.

c. Step 3 - Approving Authority Decision Process. The approving authority will review the completed DD 200 with recommendations from the appointing authority, FLO, and SupO or APO, and will decide whether to assess financial responsibility against the individual charged or relieve them from responsibility. If financial responsibility is to be assessed, the FLIPL will be referred to the Staff Judge Advocate (SJA) for review.

d. Step 4 - Notification and Adjudication Process. When an assessment of financial liability is determined, the FLIPL will be submitted for acknowledgment by the individual charged. The individual will be advised of their right to request reconsideration of the approving authority's decision, and to submit an appeal to the next higher level in the chain of command if their request for reconsideration is denied.

e. Step 5 - Adjustment of Property Records. Once the AO receives the facts and findings, then the records should be adjusted immediately so that accurate property balances are maintained.

f. Step 6 - Collection Process. Once all adjudication proceedings have concluded (i.e., requests for reconsideration, appeals, waivers), debt collection actions will be taken against the individual charged if applicable.

12 SEP 2016

7. Time Frames for Processing a FLIPL. Reference (o) allows the Services to set time limits for processing DD 200s. Accordingly, Marine Corps time limits for each step of the FLIPL process are as follows:

a. Step 1 - Initiation.

(1) 15 calendar days from the time of discovery to presentation of the DD 200 to the approving/appointing authority.

(2) 5 calendar days for the approving/appointing authority to appoint a FLO to conduct an investigation (if required).

b. Step 2 - Investigation. 30 calendar days from the appointment of the FLO to presentation of the DD 200 to the approving/appointing authority.

c. Step 3 - Decision. 20 calendar days from presentation of the DD 200 to the approving authority to the decision concerning financial liability and notification of the decision to the individual involved.

d. Step 4 - Notification/Adjudication.

(1) 5 calendar days from providing notification to the individual being charged to submission of a request for reconsideration from the individual to the approving authority. The individual also has the option to voluntarily pay the amount assessed.

(2) 5 calendar days from receipt of a request for reconsideration by the approving authority to the approving authority's response to either approve or deny the request.

(3) 30 calendar days from receipt of the approving authority's response on the request for reconsideration, to submission of an appeal to the next higher level approving authority via the original approving authority. This includes seeking legal counsel to assist in developing the appeal.

(4) 5 calendar days from receipt of the appeal, to forwarding the appeal to the next higher approving authority.

(5) 30 calendar days from receipt of an appeal from the individual to final adjudication on the appeal by the higher headquarters approving authority. This includes notifying the

12 SEP 2016

individual of the higher headquarters approving authority decision to approve or deny the appeal.

f. Step 5 - Collection. 5 calendar days for initiating collection actions for financial liability and for adjusting the accountable property records.

g. Under normal circumstances, Marine Corps organizations will not exceed 150 calendar days total processing time. Commanders may adjust the time segments downward at their discretion.

8. Disbursing Officer / Finance Officer Actions. This paragraph outlines actions that must be taken with the disbursing officer (DO) or finance officer (FO) after the approving authority assesses financial liability against an individual.

a. Involuntary collection may not begin until the individual receives final notification of financial liability by the original approving authority or the higher headquarters approving authority in the case of an appeal.

b. Within 5 calendar days of notifying the individual of the final decision to assess financial liability, the original approving authority will forward the case to the DO/FO for collection.

9. Responsibilities of the Commander. As the approving authority, the commander to whom the lost, damaged, or destroyed property was issued normally will appoint a FLO who will determine the facts in the case and make findings and recommendations for assessing or not assessing financial liability against an individual. In many cases, the commander may also be the appointing authority.

10. Responsibilities of Approving Authorities. Reference (n) prescribes the policy pertaining to approving authorities. The approving authority will:

a. Designate an appointing authority as required.

b. Disqualify himself when a conflict of interest is possible because the loss relates to property that was in his personnel possession.

c. Ensure that all DD 200s received are accurate and complete. Evaluate each DD 200 and either approve recommendations

12 SEP 2016

to assess financial liability or relieve those involved from liability, responsibility or accountability. The approving authority approves or disapproves all DD 200s within approved dollar thresholds unless otherwise delegated in writing.

d. Ensure that all gains and losses that require a formal investigation are promptly and thoroughly investigated.

e. Ensure that DD 200s are initiated, processed and adjudicated within the time limits established by this Bulletin.

f. Require a written explanation if delays occur while initiating or processing a DD 200 and take appropriate corrective actions.

g. Ensure that individuals held financially liable are notified, informed of their rights, and given the opportunity to inspect and copy DD 200 documents.

h. Personally evaluate each DD 200 when there is evidence of negligence or abuse.

i. Ensure the DD 200 is reviewed by the SJA; that a written opinion is provided on the adequacy of evidence and propriety of the findings and recommendations in cases where financial liability is assessed; and that the legal opinion becomes part of the FLIPL file.

j. Ensure that corrections of any attested entries are properly initialed and documented.

k. Overrule the recommendations of the appointing authority and the FLO when appropriate.

l. Formally notify individuals who have been assessed financial liability.

m. Make determinations on requests for reconsideration of liability. Notify the individual involved accordingly.

n. Forward all appeals to the next higher approving authority in the chain of command for adjudication.

o. In cases where a DD 200 involves property directly assigned to an approving authority, forward the FLIPL to the next higher approving authority for action.

12 SEP 2016

p. Approving authority responsibilities may be delegated to an appointing authority but the delegations must be in writing.

11. FLIPL Dollar Thresholds for Approving Authorities.

Throughout the Marine Corps, the total dollar value of lost, damaged, or destroyed property will dictate the level of approval authority for FLIPL investigations. To ensure that proper internal controls and oversight are in place for approving FLIPL investigations and subsequent adjustments of accountable property records, the following specific dollar thresholds for approving authorities have been established based on rank and the level of responsibility:

a. 0-5 Level Commander. For FLIPL investigations with a final loss or damage less than \$250,000, the first LtCol (0-5) or supervisory GS-14 in the rating chain is the approving authority. FLIPL investigations of \$250,000 or greater must be forwarded to the next higher approving authority in the chain of command.

b. 0-6 Level Commander. For FLIPL investigations with a final loss or damage between \$250,000 and \$499,999, the first Colonel (0-6) or supervisory GS-15 in the rating chain is the approving authority. FLIPL investigations of \$500,000 or greater must be forwarded to the first general officer or Senior Executive Service (SES) employee in the chain of command.

c. Commanding General. For FLIPL investigations with a final loss or damage of \$500,000 or greater, the first general officer or SES employee in the rating chain is the approving authority.

d. Approving authorities at any level may delegate FLIPL approval authority to appropriate appointing authorities; however, the dollar threshold will be limited to less than \$100,000, and the delegated authority must be in writing. Additionally, individuals designated as appointing authorities must meet the minimum grades of Major (0-4) or DoD civilian employee of GS-13. Regardless of who initiates the FLIPL investigation, it is processed through the chain of command of the individual responsible for the property at the time of the incident.

e. The below chart identifies authorized dollar thresholds discussed above:

Dollar Threshold	Approving Authority	Appointing Authority
<100K		(Delegated threshold)
<250K	0-5 (LtCol/GS-14) Level Commander	
250K - 499K	0-6 (Col/GS-15) Level Commander	
500K or more	CG/SES Level Commander	

12. Responsibilities of Appointing Authorities. Reference (n) sets forth the policy pertaining to appointing authorities. Appointing authorities will:

- a. Appoint a FLO when conditions warrant.
- b. Appoint a financial liability board (FLB) in lieu of a FLO to conduct the investigation if warranted. Reasons for considering an appointment of a FLB include complexity, size, or unique type of loss due to negligence or abuse.
- c. Provide administrative guidance to the FLO and the FLB if established.
- d. Review all FLIPLs, appeals, and waiver requests for accuracy and compliance.
- e. Approve or disapprove the recommendations of the FLO or the FLB and forward personal recommendations to the approving authority.
- f. If authorized in writing by the approving authority, take final action on a FLIPL when the amount of the loss or damage is less than \$2,000 and there is no evidence of negligence, willful misconduct, or deliberate unauthorized use.
- g. Approve or disapprove FLIPLs when the loss, damage, destruction or theft is less than \$100,000 and authorization has

12 SEP 2016

been delegated in writing by the approving authority. In cases where the appointing authority is approving property record adjustments, final authority must be confirmed with the approving authority/accountable officer.

h. Make recommendations to the approving authority on FLIPL administrative guidance and procedures.

i. Examine FLIPLs for completeness, logical conclusions, findings and recommendations.

j. Appointing Authority Responsibilities to the FLO. The appointing authority must:

(1) Provide advice and assistance when required or requested by the FLO or the senior member of the FLB. This includes access to the unit legal officer for training, assistance and a legal brief.

(2) Review the evidence, findings and recommendations to ensure that:

(a) Any contradictions in the FLIPL are resolved.

(b) The statements of interested persons are confirmed or refuted.

(c) Findings are stated clearly.

(d) Recommendations are supported by logical conclusions based on the facts.

(e) Monetary charges are computed correctly.

(f) The person(s) who may be found financially liable were interviewed by the FLO or FLB. This testimony must become a part of the FLIPL file and must be weighed against testimony obtained from other individuals when developing the findings and recommendations.

k. Ensure that the SJA performs a review of any FLIPL recommending financial liability against an individual.

13. Responsibilities of the Financial Liability Officer (FLO). The commander to whom the lost, damaged, or destroyed property was issued normally will appoint a FLO who will determine the facts in the case and make findings and recommendations as to assessing or

12 SEP 2016

not assessing pecuniary liability against an individual. The FLO investigation is a critical phase of the FLIPL process to ensure that all facts are developed, the interests of the government are served, and the rights of involved individuals are protected. The FLO will be an officer, Staff Non-Commissioned Officer or a civilian employee (GS-12 or above) with a broad perspective of Marine Corps policies and procedures in the area under investigation.

a. A FLO is required to be appointed when:

(1) The initial inquiry results are insufficient to make a determination of whether or not negligence or abuse was the proximate cause of the loss, damage, or destruction of government property and the approving or appointing authority determines that a formal investigation is warranted.

(2) The value of the property lost, damaged, or destroyed, or the circumstances of the case warrants further investigation such as repetitive losses, evidence of negligence or abuse or large dollar losses.

(3) Requested by an accountable officer.

(4) Directed by higher authority.

b. A FLO's findings and recommendations are administrative, not judicial. Therefore, the FLO reports are purely advisory and the opinions do not constitute final determinations or legal judgments. The FLO's recommendations are not binding upon appointing and approving authorities.

c. General Duties of FLO. The FLO will become familiar with this Bulletin and the requirements for making an investigation in accordance with reference (n).

(1) Per reference (n), the six basic DoD requirements for conducting a FLIPL investigation are to determine:

(a) What happened?

(b) How it happened?

(c) Where it happened?

(d) Who was involved?

(e) When it happened?

(f) Any evidence of negligence, willful misconduct, or deliberate unauthorized use or disposition of the property.

(2) In addition to the requirements per reference (n), when applicable, the FLO will:

(a) Review and evaluate, as a minimum, the adequacy of existing procedures to protect property.

(b) Determine compliance with existing procedures and directives.

(c) Determine the individuals responsible and the type of responsibility assigned (such as command, supervisory, or personal).

(d) Present facts indicating whether or not negligence or abuse was involved.

(e) Determine the proximate cause of the loss, damage, or destruction.

(f) Recommend corrective action to minimize or preclude recurrence.

(g) Establish when it was first determined that the property was lost or damaged.

(h) Determine if the custodian(s) performed their duties properly.

(i) Determine if the custodians were properly trained.

(j) Determine what actions were taken to find lost property.

(k) If vehicle damage is involved, determine if the operator was properly briefed regarding governing directives and if the driver was properly trained.

e. Investigation is a Primary Duty. Conducting the investigation will be the primary duty of the FLO until it is completed and blocks 1 through 15 of the DD 200 are completed. The FLO will be relieved of normal duties which could impair the expeditious completion of the investigation.

12 SEP 2016

f. Detailed Duties of the FLO. The FLO, based on the facts, makes findings and recommendations on the issue of liability of the individual involved and ensures that they are well documented in Block 15a of the DoD 200. As part of the investigation, the FLO will:

(1) Develop the facts in the case which will logically lead to the findings and recommendations. The FLO must interview all individuals with knowledge of the case if they are in the immediate area. This includes the individual who may have lost, damaged, or destroyed the property.

(2) Obtain written statements from individuals interviewed. These statements will be sworn to in accordance with reference (v), Appendix 2, Section 936. This section authorizes the investigator to swear witnesses.

(3) Attach witness statements to the FLIPL. They must substantiate the statements and the findings and recommendations of the FLO.

(4) Ensure that all witnesses are identified by first name, middle initial, last name, rank or grade, organization to which assigned, and if applicable the address of the witnesses.

(5) Include a statement that will indicate how the witness is (or was) involved in the case or how the witness has knowledge of the situation.

(6) Indicate whether any laws, directives, or procedures were violated. The FLO should immediately suspend the FLIPL investigation and consult with the approving/appointing authority and unit legal officer if the FLO suspects that a Federal/State Law or UCMJ violation is evident. Also indicate how the individual involved did or did not exercise ordinary or reasonable care.

(7) Attempt to communicate with witnesses not in the immediate area and obtain written statements which must be certified as being true and correct to the best of their knowledge.

(8) Submit a written signed statement outlining the information verbally received from the witness if the FLO is not able to obtain statements. The statement will contain words to

12 SEP 2016

indicate that the statement is a true portrayal of what the witness told the FLO.

(9) Attach to the FLIPL, the motor vehicle accident investigation conducted by either military or civilian law enforcement officials. This must substantiate the FLO's statements, findings, and recommendations concerning the accident.

(10) Complete block 15a (FLO's findings and recommendations) on the DD 200.

(a) Ensure that the findings and the recommendations are supported by the testimony of individuals involved and that the testimony leads logically to the findings and recommendations.

(b) Determine if financial liability should be assessed based strictly on the facts and circumstances of the case. If financial liability is recommended, it will be based on the value of the property involved, with appropriate depreciation applied. It will not be tempered by the fact that financial liability generally is limited to not exceed one month's pay or by statements made to the investigating officer by the person involved that the assessment of financial liability will cause personal hardship. Reduction of the recommended assessment of financial liability is a command prerogative and not within the purview of the investigating officer.

(c) When the individual involved responds to the approving authority's Notification of Assessment of Financial Liability (Enclosure (5), comments may be included regarding the adverse impact that paying the assessed amount will have upon the personnel involved.

(d) Complete and sign Blocks 15j and 15k, then submit the case to the approving or appointing authority.

g. Additional Duties and Responsibilities of the FLO. The primary purpose of the FLIPL is to determine responsibility for lost, damaged, or destroyed property; however, to properly assess financial liability, responsibility will need to be reasonably determined. To determine such responsibility, the facts contributing to the loss or damage must be developed by investigation. The FLO investigation may establish the fact that some other individual is at fault. The FLO shall not limit the investigation to verifying statements of interested parties.

12 SEP 2016

(1) A FLO investigation is required to determine where responsibility and/or liability belong without regard to the relationship of the responsible individual to the property. As an example, actions by the accountable officer, responsible officer, or property receipt holder should be investigated as well as actions of the users of the property.

(2) The FLO must determine the actual facts, not as alleged but as they actually occurred. The FLO's recommendations shall be evaluated in succeeding reviews; therefore, the recommendations must be supported by the findings and conclusions.

(3) The FLO must be able to make a determination from the findings and conclusions as to how the loss or damage occurred, whether negligence or abuse was involved, and whether negligence or abuse was the proximate cause of the loss or damage

(4) The FLO must record the findings, conclusions, and make recommendations based on findings and conclusions. The recommendation must indicate whether or not financial liability should be assessed.

(5) The FLO must afford to any person whose conduct or performance of duty may be subject to inquiry, an opportunity to have their position considered. They may submit written statements that will become part of the FLO's investigation.

(6) The FLO compiles evidence substantiating or refuting any statement recorded in block 9 of the DD 200.

(7) The FLO physically examines the damaged property when available, before it is released for repair or disposal.

(8) The FLO consults with the SupO or APO, appointing authority, legal officer, contracting officer, security police, or any other individual whose expertise could facilitate the investigation.

(9) The FLO determines the cost of damaged property. The value may be the cost of repairs or an estimate of the repairs obtained from technical manuals or other reliable sources. The FLO also determines the value of the property immediately before its damage if the property is not economically reparable.

12 SEP 2016

(10) The FLO ensures that action is taken to exercise control over the property if the property is recovered during the investigation.

(11) The FLO ensures that the total loss to the government is accurately computed.

h. The FLO's Findings. The findings and conclusions reached by the FLO must be sound and based upon the evidence presented. They should not contain unsubstantiated opinions or phrases.

(1) The FLO must state how the loss or damage occurred, whether negligence or abuse was involved and whether negligence or abuse was the cause of the loss or damage based on the evidence obtained through the investigation. The FLO's findings must substantiate or refute the statements made in block 9 of DD 200 and in affidavits or in additional statements included in the report. Where facts are obtained by oral testimony, the individuals must be named and identified and direct statements quoted.

(2) The FLO's findings must be complete enough so that others reviewing the report can readily determine the responsibility without referring the report back to the FLO for further investigation or information.

i. The FLO's Recommendations. The FLO's recommendations must be supported by the findings and conclusions. After recording the findings, the FLO must record all recommendations in block 15a of the DD 200. A recommendation of financial liability or relief from liability must be made for each individual involved. The FLO must indicate that the individual's negligence, willful misconduct, or deliberate unauthorized use was the cause of the loss or damage if financial liability is recommended. Under no circumstances will the FLO recommend disciplinary action.

j. The FLO will provide the FLIPL to the appointing or approving authority after completing block 15 of the DD 200.

14. Financial Liability Board (FLB).

a. Per reference (n), a FLB may be appointed by the appointing authority for the specific purpose of conducting the FLIPL investigation. A board provides more resources than an officer to investigate losses that are large, complex, or unique. FLBs are administrative and not judicial. Therefore, their reports are purely advisory, their opinions do not constitute

12 SEP 2016

final determinations or legal judgments and their recommendations are not binding upon appointing and approving authorities.

b. FLB members are appointed in writing and will consist of two or more persons. One member will be formally appointed as the senior member of the FLB.

c. Functions of an FLB.

(1) The primary function of an FLB is to research, develop, assemble, record and analyze all available information relative to the loss or damage to property. The board is required to formulate and clearly express consistent findings of facts, conclusions, and recommendations.

(2) A collateral function of the FLB is to afford a hearing to any person whose conduct or performance of duty may be subject to inquiry or who has direct interest in the inquiry.

(3) The board members take action on the DD 200.

(4) The DD 200 file and documentation will be submitted to the appointing or approving authority when the FLB completes its FLIPL investigation.

15. Responsibilities of the Supply Officer as the FLIPL Manager. The command, unit or activity SupO or APO will be designated in writing by the commander or appointing authority as the FLIPL manager. The manager ensures that all aspects of the FLIPL process function in a timely and efficient manner. The manager assists appointing authorities, FLOs, and unit commanders as required. This includes advising the approving and the appointing authorities if there appears to be a conflict of interest in personnel involved in processing the FLIPL.

a. As the reviewing authority, evaluate the facts and circumstances surrounding the loss, damage, or destruction of property and recommend to the approving/appointing authority whether or not investigative action is warranted. Comments and recommendations must be provided in block 12 of the DD 200.

b. Provide supply expertise and assistance to approving/appointing authorities, responsible officers, property custodians and FLOs. Conduct training as required or as requested.

12 SEP 2016

c. During the initiation of a DD 200, assign an inquiry/investigation number to ensure proper tracking of each FLIPL investigation.

d. Retain all completed DD 200s and supporting documentation for ten years.

e. Duties of the FLIPL Manager.

(1) Acts as the command, unit or activity focal point for FLIPL guidance and procedures.

(a) Maintains FLIPL information that will show trends and potential problem areas and will apprise the commander or the approving authority of the status and the results of the FLIPL program. This information may include statistics such as accountability assessments and the number, type, and dollar value of property lost, damaged, or destroyed by the unit. This information will be provided to the next higher headquarters as required.

(b) As appropriate, keeps the major subordinate command (MSC) FLIPL manager apprised of the status of the command, unit or activity FLIPL program.

(2) Prepares and maintains internal operating procedures, checklists, FLIPL registers and related documents.

(3) Provides guidance during investigations to the FLBs and FLOs.

(4) Prepares correspondence involved in routing the FLIPL for investigation, staff coordination, review, approval, due process, collection and other FLIPL related actions.

(5) Follows up to ensure that FLIPLs are processed expeditiously.

(6) Ensures the actual or estimated cost of repair has been obtained before financial liability is assessed. Identifies any overcharges to be refunded.

(7) Coordinates with the unit legal or administration section to ensure individuals being charged as financially liable are promptly notified and are given the opportunity to make a

12 SEP 2016

written statement prior to submission of the FLIPL to the approving authority.

(8) Coordinates with the unit legal or administration section to ensure individuals held financially liable by the approving authority are informed of their liability within five work days of the date in block 14h of the DD 200.

(9) Coordinates with the unit legal or administration section to ensure persons held financially liable by the approving authority are informed of their appeal rights and are given the opportunity to review the file.

(10) Establishes suspense files to ensure expeditious processing of the FLIPL.

(11) Maintains a FLIPL register. Each DD 200 will be serially numbered starting at the beginning of each fiscal year. The register and copies of the DD 200 recorded on the register will be maintained for ten years for reference and audit purposes. A sample FLIPL register with instructions is located in Enclosure (8).

(a) The FLIPL manager will complete columns A through G of the FLIPL register within 15 days of the reported loss.

(b) Disposition of Completed Registers and FLIPL. FLIPL registers and case files that provide a complete record of each FLIPL must be retained as key supporting documents (KSD). Reference (q) requires KSDs to be retained for a period of ten years after final action is completed.

f. Local Administrative Procedures. All commands, activities and units must prepare implementing procedures to this Bulletin. Delegations of authority made by the commander or approving authority will be made by name.

g. Scheduled Separations. The initiator of a FLIPL must advise the FLIPL manager if any person who may have caused the loss or damage to government property is scheduled for separation. When this situation occurs, every effort must be made to expedite both the completion of the FLIPL and collection action.

h. Pending Liability - Individual Transferred. If an individual transfers to another command before being notified that financial liability is being recommended, the losing FLIPL manager will coordinate the notification and collection process with the

12 SEP 2016

unit legal or administration section. However, both the losing and gaining commands have responsibilities in assuring the individual receives proper notification.

i. Losing FLIPL Manager's Responsibilities. In coordination with the unit legal or administration section, the losing manager will:

(1) Obtain from the losing organization, or from any other source, the name and location of the command to which the individual is being transferred and the name and organizational address of the gaining FLIPL manager.

(2) Ensure that the approving authority has signed the DD 200.

(3) Send the original and one copy of the FLIPL file to the gaining FLIPL manager.

(a) The file consists of any documents that are material to the finding of negligence including a copy of the notification letter used locally to advise the individual of impending charges.

(b) The transmittal letter accompanying the complete file will request that formal notification be given to the individual being charged and that a copy of block 16 of the DD 200 be completed and returned directly to the losing FLIPL manager. The transmittal letter will indicate the name, organizational address and contact information of the losing FLIPL manager.

(c) Establish a 30-day suspense from the date the FLIPL package is received at the gaining command for a response from the gaining command. Upon receipt of the DD 200 with block 16 completed, or if no response is received after 30 days, processes the FLIPL for final action by the losing command approving authority. The gaining command is only responsible for notifying the person(s) held liable and obtaining acknowledgment on block 16 of DD 200. Collection procedures will be executed by the DO/FO at the losing command.

(d) If the approving authority does not assess financial liability, the losing FLIPL manager will notify the persons who were responsible for losing or damaging the property and close the case.

12 SEP 2016

(e) If the approving authority approves the recommendations and assesses financial liability, the losing FLIPL manager will notify the individual(s) accordingly, advising them of their rights. A locally developed notification letter will suffice. If the person held financially liable fails to respond or does not file an appeal or waiver request within 30 days, the losing FLIPL manager will forward a DD 139, "Pay Adjustment Authorization" with attached documents to the local DO/FO for involuntary collection of the amount due. If an appeal or waiver request is received within 30 days of notification, it must be processed according to procedures in paragraph 21.

j. Gaining Command FLIPL Manager Responsibilities. In coordination with the unit legal or administration section, the gaining FLIPL manager will:

(1) Upon receipt of the FLIPL documents, contact the commander of the individual charged and arrange for pickup or delivery of the documents.

(2) Notify the losing FLIPL manager to acknowledge receipt of the documents and include the date that the individual or their commander received the documents.

(3) Send the file back to the losing FLIPL manager indicating any discrepancies if it appears that provisions of this Bulletin have not been complied.

(4) Follow-On Actions. Advise the losing FLIPL manager once the individual being assessed is notified. At that time the gaining FLIPL manager will no longer be involved. Subsequent actions such as requests for reconsideration, appeals, waiver requests, and collections, will be conducted directly between the individual (or the individual's commander) and the losing command.

k. Interaction With the DO/FO. FLIPL managers will work closely with the DO/FO to assure actions related to payroll deductions and collections are processed promptly. Once the approving authority has assessed financial liability and applicable due process procedures are completed, the losing FLIPL manager will provide a copy of the completed DD 139 or DD 362, "Statement of Charges/Cash Collection Voucher," with attachments, to the DO/FO to execute collection actions.

16. Responsibilities of the Higher Headquarters Commander. Under certain circumstances, approving authorities must forward FLIPL investigations to the next higher commander for action as follows.

12 SEP 2016

a. Action on Financial Liability Investigations of Property Loss.

(1) No person may act as an appointing authority or approving authority that has had personal responsibility or accountability for the property listed on the DD 200 at the time the property became lost, damaged or destroyed. In such cases, the next higher commander or Marine Corps civilian employee in the chain of command will act as the appointing authority or the approving authority.

(2) For DD 200s containing recommendations affecting general officers or SES employees, the next general officer or SES employee in the chain of command senior to the general officer or SES employee being recommended for assessment of, or relief from, financial liability becomes the approving authority.

(3) As stated in paragraph 11 above, FLIPL investigations that exceed the authorized dollar threshold of an approving authority must be forwarded to the next higher approving authority in the chain of command for action.

b. Action on Appeals. Individuals charged with financial liability may submit an appeal to the next higher approving authority in the chain of command if they think that the facts of the case do not support an assessment of financial liability. A sample appeal letter is provided in Enclosure (7).

(1) Approving Authority. The original approving authority must forward the appeal to the next higher approving authority in the chain of command. The approving authority will forward the DD 200 with all exhibits, and the appeal letter.

(2) Next Higher Approving Authority. Prior to reviewing the appeal, the next higher approving authority, as the appeal authority, will forward all related documents to a legal advisor with direction to provide a written opinion as to its legal sufficiency. Opinions and recommendations of the legal advisor will be attached to the DD 200 before the appeal authority's review. Once received, the appeal authority will review the DD 200 and appeal to determine if the evidence offered by the individual charged provides grounds to relieve them from financial liability. After review, the appeal authority may:

(a) Direct the approving authority to reopen the financial liability investigation and conduct further

12 SEP 2016

investigation to clarify matters specified by the appeal authority.

(b) Grant relief of financial liability in whole or in part based on the facts and evidence contained in the file.

(c) Deny relief of financial liability to the individual.

(d) After review and decision by the appeal authority, the DD 200 with all exhibits will be returned to the approving authority for action under a formal memorandum. The memorandum will state decisions by the appeal authority and required actions to be taken.

c. Discretionary Authorities. The member or employee will not pay more than one month's base pay, unless they fall into one of the following categories: accountable officers; individuals losing public funds; or individuals who lose, damage, or destroy government quarters, furnishings, or equipment in quarters due to gross negligence or willful misconduct. Base pay is determined at the time of the incident, not when the FLIPL is completed. Approving authorities may exercise certain discretion regarding assessments of financial liability if they provide written rationale. Based on the circumstances of each case, the approving authority may impose financial liability in an amount equal to the amount of the loss or damage (up to one month's basic pay), or in some lesser amount deemed appropriate, or relieve an individual from liability. In determining the amount of financial liability, the approving authority may consider factors including, but not limited to:

(1) The degree of abuse or negligence involved.

(2) The extent, if any, to which involuntary collection would cause substantial financial hardship, constitute a clear injustice, or adversely impact unit morale and discipline.

(3) Any prior instances of abusive or negligent conduct toward government property.

(4) The degree of risk arising from assigned duties.

(5) The degree of experience and training of the individual.

12 SEP 2016

d. MSC, MEF and MARFOR FLIPL Managers. The MSC, Marine Expeditionary Force (MEF) and Marine Force (MARFOR) FLIPL managers will be assigned in writing by the commander or designated staff member and will:

(1) Review all FLIPLs and appeals to ensure all administrative requirements have been met.

(2) Prepare correspondence pertaining to FLIPLs and appeals.

(3) Maintain receipt and suspense registers to control documents received.

(4) Provide guidance and required internal controls to subordinate FLIPL managers including the development of command administrative procedures to supplement this Bulletin.

(5) Maintain FLIPL information that will show trends and information such as summaries of the number of FLIPLs processed, dollar values, types of items lost, and a list of commands, units or activities which appear to be problem areas.

(6) Keep the command approving authority apprised of the status of the FLIPL program.

(7) As appropriate, keep the next higher command FLIPL manager apprised of the status of their FLIPLs.

17. Computing Financial Liability. As a part of the FLIPL, the FLO must determine the cost of loss to the government when recommending an assessment or relief of financial liability. The actual loss to the government is the difference between the value of the property immediately before its loss, damage, or destruction, and its value immediately after. Once the actual loss to the government is computed, financial liability assessed against an individual will be limited to the amount of actual loss. See Paragraph 22.d for additional information on the amount of liability that an individual can be assessed.

a. Value of Repairable Property. The value of loss for repairable property will be the repair cost required to return the damaged property to the condition it was in at the time of damage or the value of the item at the time of the damage, whichever is less. The value of repairable property is the lesser of the following computations:

12 SEP 2016

(1) Repair Cost. The cost of repairs consists of the sum of the costs of material; labor, overhead, and transportation, minus any salvage or scrap value of replaced component parts. If repair makes the item more valuable than it was at the time of the loss, reduce the cost of repairs by the amount of the increase in value. Maintenance personnel will compute the actual repair cost. When actual repair cost cannot be determined, they will prepare an itemized list of the estimated cost of damage. An estimate will be used to compute the value of a loss only when actual costs cannot be obtained within a reasonable time. When an estimate is used to compute the value of the damaged property, the DD 200 must state why, and state the basis on which the estimate was made.

(2) Adjusted Repair Cost. When an estimated cost of damage is used in the interest of expediency to process a FLIPL, the repair of damaged property will be followed through the repair process to determine the actual cost of repairs. When the actual cost of damage is less than the estimate, the initiator of the FLIPL will cause it to be reopened and the appropriate DO/FO will be requested to reimburse the difference to the charged individual.

b. Value of Lost, Destroyed, or Irreparably Damaged Property. The value of lost, destroyed, or irreparably damaged property will be the actual value of the property at the time of the loss, minus any salvage or scrap value. Actual value at the time of the loss or damage may be computed in one of three ways.

(1) Fair Market Value. The preferred method of determining the value of property at the time of loss or damage is by a qualified technician's two-step appraisal of its fair market value. First, a technician must determine the condition of the item at the time of the loss or damage through personal knowledge, review of maintenance records, conversations with using personnel, and any other means available. Second, the commercial market must be reviewed to determine the price that similar items in similar condition have sold for in commercial transactions within the last 6 months. Appraisal guides accepted in the commercial market may be used for this purpose. The fair market value is the preferred method of fixing the value of property at the time of loss; however, it is not always practical since much of the Marine Corps' inventory is not available on the commercial market.

(2) Depreciated Value. When determination of fair market value is not possible or equitable, the value at the time of the loss or destruction may be computed by subtracting depreciation from the standard price of a new item at the time of acquisition.

12 SEP 2016

Standard price information is contained in Federal Logistics Information System Web Search, Defense Property Accountability System (DPAS), Global Combat Support System-Marine Corps (GCSS-MC) or Total Force Structure Management System (TFSMS). Depreciation is not deducted for loss or damage to new property. Compute depreciated value for all property not listed below at 5 percent per year of service, up to 75 percent. If the time in service cannot be determined, depreciate a standard 25 percent.

(a) For individual combat clothing and equipment (ICCE) items and non-power hand tools, depreciate by 10 percent for each such item.

(b) For items made of relatively perishable material such as leather, canvas, plastic, or rubber (except for ICCE), depreciate by 25 percent for each such item.

(c) For electronic equipment and office furniture, depreciate 5 percent per year of service, up to 50 percent.

(d) For tactical and general purpose vehicles, depreciate 5 percent per year of service, up to 90 percent. Total depreciation will not exceed 90 percent.

(e) For government furnished quarters, furnishings will be depreciated 5 percent per year of service, up to 50 percent.

(f) Small arms are not depreciated.

(g) The rates of depreciation above are based on normal use, and may be increased or decreased based on facts showing more or less than average use.

Sample Calculations for Depreciated Value				
Item Name	Original Unit Price	Placed in Service Date	Depreciation	Amount of Liability
MTVR	\$107,800	N/A	\$26,950.00	\$80,850.00
HMMWV	\$98,950	2003	\$59,370.00	\$39,580.00
Printer	\$3,200	2013	\$480.00	\$2,720.00
Tent	\$1,700	N/A	\$425.00	\$1,275
Helmet	\$350	N/A	\$35.00	\$315.00

12 SEP 2016

Sample Formula: When Placed in Service Date is Known

$$\begin{array}{c}
 \begin{array}{ccccc}
 & & (.05 \times 12) = .60 & * & \$98,950.00 = \$59,370.00 \\
 & \uparrow & \uparrow & & \uparrow & \uparrow \\
 \text{Depreciation Rate} & & \text{Years of Service} & & \text{Unit Price} & \text{Amount of Depreciation} \\
 & & & & & \uparrow \\
 & & & & & \text{Amount of Liability}
 \end{array} \\
 \\
 \begin{array}{ccccc}
 \$98,950.00 & - & \$59,370.00 & = & \$39,580.00 \\
 \uparrow & & \uparrow & & \uparrow \\
 \text{Unit Price} & & \text{Amount of Depreciation} & & \text{Amount of Liability}
 \end{array}
 \end{array}$$

Sample Formula: When Placed in Service Date is Not Known

$$\begin{array}{c}
 \begin{array}{ccccc}
 & & .25 * \$107,800.00 = \$26,950.00 \\
 & \uparrow & \uparrow & & \uparrow \\
 \text{Depreciation Rate} & & \text{Unit Price} & & \text{Amount of Depreciation} \\
 & & & & \uparrow \\
 & & & & \text{Amount of Liability}
 \end{array} \\
 \\
 \begin{array}{ccccc}
 \$107,800.00 & - & \$26,950.00 & = & \$80,850.00 \\
 \uparrow & & \uparrow & & \uparrow \\
 \text{Unit Price} & & \text{Amount of Depreciation} & & \text{Amount of Liability}
 \end{array}
 \end{array}$$

c. Credit for Salvage and Scrap Value. When property is damaged to the point it must be scrapped, salvage credit is allowed for the salvage or scrap value, including the scrap value of parts recovered from the property which has been repaired.

(1) Repairable Items. When items are repaired, allow for the scrap value of the repair parts, components, or assemblies recovered from the item; however, these reclaimable parts must be depreciated by the same factor that is used to depreciate the whole item. For example, a vehicle cost \$200,000, and a 50 percent credit (or \$100,000) was allowed for depreciation. If a mechanic removed \$500 worth of reclaimable parts from the vehicle, only a 50 percent credit (or \$250) would be allowed for depreciation on the reclaimable parts for the vehicle.

(2) Items Beyond Repair. If an item has been damaged to the point it has to be scrapped, allow credit for the salvage or scrap value of the item or parts. When the entire item is turned

12 SEP 2016

in, obtain the information on the credit from the DLA Disposition Services Field Office, which determines the amount of credit.

d. Fair Wear and Tear. The value of loss to government quarters or related furnishings or equipment due to fair wear and tear is exempt from financial liability. Fair wear and tear will be determined by a qualified technical inspector.

e. Determine the Actual Loss or Damage to the Government. The actual loss to the government is the difference between the value of the property immediately before its loss or damage and its value immediately after. There are four means of determining actual costs for the loss or damage of government property, and the corresponding amount of financial liability. The following steps must be considered in sequence.

(1) If the item is repairable, the charge will be based on the actual cost of repairs.

(2) If the item cannot be repaired because it is too badly damaged, a technical inspector must determine the market value of the item after the damage. Salvage credit must be included when appropriate.

(3) If the item is not repairable and the technical inspection is impossible (e.g., when an item is lost or completely destroyed in a fire), apply the appropriate depreciation formula to determine the property value.

(4) Deduct the standard rebuild cost from the value of the item.

f. Actual Cost of Repairs. If an item can be repaired, the charges must be based on the cost of repairs minus certain allowances. Although owning activities must compute the actual cost of repairs to determine the amount of financial liability, processing a DD 200 document, to include final charges against the individual involved, will not be delayed pending the completion of repairs. When the actual cost of repairs cannot be obtained in time to complete processing a FLIPL within the time limits established in paragraph 7 of this Bulletin, technical personnel will make an itemized list of the estimated cost of repairs. The DD 200 will then be completed with the understanding that if the actual cost of repairs is less than the estimated cost of repairs, the DD 200 will be reopened, the charges amended, and the difference will be reimbursed to the individual.

12 SEP 2016

(1) When computing the actual cost of repairs, charge for the following expenses:

(a) Direct Materials. For instance, if a fender is damaged and is not repairable, charge for the cost of the new fender.

(b) Direct Labor. Charge for the actual rate paid for civilian labor.

(c) Overhead Costs. Use the amount computed by using the authorized local cost accounting systems at a government repair activity.

(d) Transportation Costs. Charge for the cost of shipping the item to and from the repair facility.

(2) When computing the actual costs, allow for circumstances that affect the actual loss to the government. For example, if extensive repairs enhance the value so that the item is worth more than it was before the repair, make an allowance for the increase in value.

(3) Credit for repairs made but not needed to return the damaged property to the condition it was in immediately before the incident causing the damage. It may be more economical to refurbish the damaged item rather than repair just the damaged portion.

g. Technical Inspection. Technical inspections will be documented prior to the repair or turn-in of the damaged property.

(1) Definition of Technical Inspection. A technical inspection determines the extent of damage and establishes whether the item is repairable. It also involves an appraisal to determine the value of the item just before it was damaged or destroyed.

(2) Need for a technical expert. A technical inspector must have a thorough knowledge of the item and its uses, mechanisms, and functions and must have broad experience in dealing with the type of item. In most cases this person will be a representative of the maintenance support for the installation or activity. The technical inspector will have to determine the prices of the same or similar items sold in the commercial markets at or about the time of the loss.

12 SEP 2016

(3) Decision on the Fair Value of an Item. If the fair market value appears to be unfair to the government or the respondent, that value will not be used. For instance, if the acquisition cost of a pair of binoculars was \$97, and they are now being sold on the open market for \$175, the respondent cannot be charged \$175. In some cases, a determination of fair market value is impossible.

h. Computation Statement. When allowances are made for depreciation, the FLIPL must include a statement indicating the factors considered and methods by which the depreciation was computed so that a proper assessment may be made by the approving authority. GCSS-MC, DPAS and TFSMS will be utilized to provide the information below. This statement and supporting documents will be attached to the DD 200 and will include:

(1) Source of published depreciation factors.

(2) Date of manufacture.

(3) Original acquisition cost.

(4) Replacement cost of a like item and source of this quotation.

(5) Estimated life expectancy.

(6) State of obsolescence.

18. Voluntary Payments. Marine Corps personnel and employees may voluntarily pay the government for lost, damaged, or destroyed government property in accordance with references (n) and (q). Voluntary payment may be made any time before or during the FLIPL process. In some cases, voluntary payments are made in lieu of a FLIPL. In other cases voluntary payments are made as a result of the FLO's recommendation or approving authority's assessment. Voluntary payment may be accepted in lieu of a FLIPL providing the following criteria are met:

a. The individual is offering the payment on their own volition and is not being coerced or threatened with adverse action if payment is not made.

c. The individual is aware that an agreement for voluntary payment may not later be revoked.

12 SEP 2016

d. The individual is aware that the normal avenues of relief (request for reconsideration, appeal, or waiver) are not available if voluntary payment is made.

e. If the individual is offering to pay for loss or damage in excess of one month's basic pay, the person must be made aware that if a FLIPL were prepared, the liability might be limited to one month's basic pay.

f. If the loss or damage exceeds one month's basic pay and the individual offers to voluntarily pay one month's basic pay, voluntary payment can be accepted if the loss or damage does not involve:

(1) Assigned government quarters damage where gross negligence or willful misconduct may be evident.

(2) Loss or damage to personal arms or equipment.

(3) Loss or damage where an accountable officer is involved.

g. Completing the DD 200. When a FLO has recommended an assessment of financial liability in block 15a, DD 200, the individual responsible for the loss or damage may voluntarily pay the amount specified on the DD 200 unless the assessment is a reduced liability.

(1) If the FLO recommends reduced liability, the approving authority must review and sign the DD 200 before the individual responsible for the loss or damage may voluntarily pay the recommended amount.

(2) In these situations, the FLIPL process is terminated and the register is annotated to reflect voluntary payment. By making voluntary payment at this time, the individual thereby relinquishes the right of appeal, waiver, or any other relief from financial liability.

h. Voluntary Payment Documentation. Voluntary payments are processed on DD 1131, "Cash Collection Voucher" or DD 362.

i. Document Processing Requirement

(1) Unit commanders initiate voluntary payment documents for the loss, damage, or destruction of government property issued

12 SEP 2016

to their activities or to persons under their command or administrative control.

(2) Voluntary payment documents must contain the statement, "Used instead of a FLIPL."

(3) Where lost, damaged, or destroyed property is recorded on property control records, the voluntary payment document must be used as a key supporting document to support adjustment of the property account.

(4) The SupO or APO must develop and issue procedures for preparing and processing voluntary payment documents.

19. Collections. This paragraph establishes collection procedures to be followed when financial liability is assessed, and when repayment of an amount collected is in excess of the amount due. Consent by Marine Corps personnel or employees is not required for the collection of FLIPL debts. The organization responsible for paying the Marine Corps member or employee shall determine the maximum amount to be collected each month. References (a), (n) and (q) apply.

a. Collections from Marine Corps Personnel and Employees. When a Marine Corps member or employee is held financially liable, the approving authority will notify the individual in writing of the type and amount of the debt being assessed. A sample notification letter is provided in Enclosure (5). The letter must be hand-delivered with a receipt of notice executed, or sent by certified or registered mail with return receipt requested. Because the Marine Corps must be able to demonstrate that individuals held financially liable have received demand letters and notices of intent to effect involuntary collection, these receipts must be included in the FLIPL case file. The written notification advises the individual of the following:

(1) The requirement to make lump-sum remittance within 30 days from the date of the written debt notification direct to the DO/FO, and the right to request a written agreement to repay the debt in installments. A request for installment payments must be accompanied by the debtor's financial statement submitted under penalty of perjury.

(2) The right to inspect and copy records relating to the debt.

(3) The right to review the decision relating to the debt.

12 SEP 2016

(4) Notification of a member's right to request a waiver of indebtedness and an officer's right to request a waiver for damage to government housing.

(5) The right to appeal the findings of the FLIPL. The appeal must be submitted within 30 days from the date an individual is notified that their request for reconsideration has been denied by the approving authority.

(6) The intention of the Marine Corps to make involuntary deductions from the individual's pay if voluntary lump-sum payment is not made within 30 days of liability notification or completion of the appeal process if an appeal is filed and the financial liability is upheld.

(7) That any portion of the debt uncollected at the time of employment termination will be collected from the individual's final pay and allowances.

b. Collections from Marine Corps Personnel. Reference (d) prescribes statutory authority for the involuntary collection of indebtedness from active duty Marines.

(1) If remittance is not received within 30 days from the date the Marine is notified of financial liability and the member does not submit a request for reconsideration or an appeal, the approving authority will send a completed copy of the DD 200 to the DO/FO for involuntary collection action. This includes evaluation of the Marine's request to make installment payments.

(2) In compliance with reference (n), the approving authority will certify the completion of the due process procedures.

c. Collections from Civilian Employees

(1) General statutory authority for the involuntary collection of indebtedness from an appropriated fund civilian employee is contained in references (a) Section 5514, and reference (n) Volume 8, Chapter 8. FLIPL appeal channels must be exhausted before involving involuntary salary offset in accordance with reference (a) Section 5514.

(2) FLIPL appeal rights are forfeited if the appeal is not submitted within established time frames. If the appeal right is forfeited or if the appeal is denied, the case file will be

12 SEP 2016

returned to the FLIPL approving authority. Authority to offset from retired civilian pay is provided in references (a) Section 5514 and reference (n) volume 8, Chapter 8. The authority for the involuntary collection of indebtedness from a Marine Corps NAF employee is located in reference (t).

(3) The FLIPL manager must establish a suspense file for all FLIPL cases referred to the creditor organization for completion of due process procedures. Initial follow-up with the creditor organization will be accomplished 45 days after the case is referred and subsequently at 30-day intervals until collection action is completed or the FLIPL case is returned for involuntary collection action. Creditor organizations are required to certify completion of due process procedures before submission to the DO/FO for involuntary collections.

d. Disbursing/Finance Officer Actions in Collecting Debts.

(1) Collection Procedures for Active Duty and Reserve Marines. After the approving authority assesses financial liability, the following procedures apply:

(a) The individual will be notified by the approving authority and will be given 30 days to pay the amount due. If payment, a request for reconsideration, or an appeal is not arranged within 30 days, the approving authority will certify completion of due process and send a DD 362 or DD 139 with attachments to the DO/FO for recording on the individual's pay record and initiation of involuntary collection action. Involuntary collections will be processed according to reference (n) and other appropriate accounting and finance directives.

(b) An individual may request reconsideration within five days of the assessment of financial liability. If the request for reconsideration is denied by the approving authority and the individual intends to submit an appeal, the approving authority will forward the appeal to the next higher approving authority (appeal authority). If the appeal is granted, no collection action will be taken. If the appeal is denied, the original approving authority will notify the individual of the decision and will initiate involuntarily collection of the debt.

(c) Occasionally, collection is made from a member whose pay record is maintained by another servicing DO/FO. The supporting document for such a collection is a DD 200 signed in block 14g. The DO/FO will process a DD 139 to record the debt on the member's pay record.

12 SEP 2016

(2) Collection Procedures for Civilian Employees. After all FLIPL actions, including final action on FLIPL appeals, and all due process protections are completed; the FLIPL, with certification of completion of due process attached, will be sent to the DO/FO for recording on the individual's pay record and initiation of involuntary collection action.

e. Collections - Several Liability. Each person held liable severally with others is liable for a portion of the entire amount of the loss or damage. The total financial liability must equal the total dollar loss to the Marine Corps. The approving authority will determine the amount to be collected from each individual.

f. Collection for Government Property Checked as Baggage. When government property checked as personal baggage is lost in transit, send a letter explaining the loss, a copy of the DD 200, baggage claim check, and other related documents to the Defense Finance and Accounting Service (DFAS) for filing a claim with the carrier.

g. Collection From Army, Navy or Air Force Members. When financial liability has been assessed against Army, Navy or Air Force personnel, the following procedures apply:

(1) Notify the member in the same manner as for Marine Corps members. Request lump-sum payment of the amount due.

(2) If after 30 days from initial notification, the member fails to pay, either in lump-sum or installments, and there is no indication that a request for reconsideration or an appeal was submitted within allowable timeframes, send the FLIPL file to the finance office for referral to DFAS for collection assistance. The file must contain the appropriation to be credited (Treasury receipt account, local operation and maintenance, local family housing operation and maintenance, stock or industrial fund), and the member's last known address.

h. Collection From Separated Members. If a Marine Corps member separates before a FLIPL is completed, the following procedures apply:

(1) If the member has not been notified of an assessment for financial liability before their separation, notification must be given in the same manner as for active duty members. If the separated member does not respond to the initial notification

12 SEP 2016

within 30 days, the FLIPL must be sent to the approving authority for final action. If the approving authority assesses financial liability, the case file must be transferred to the DO/FO for referral to DFAS for collection assistance. Notification letters must be included in the case file.

(2) If a member separates after signing block 16g of the DD 200, but before the approving authority assesses financial liability, give notification of the approving authority's assessment in the same manner as for active duty members. If after 30 days from initial notification, the separated member fails to respond, transfer the case file to the DO/FO for referral to DFAS for collection assistance. Include notification letters in the case file.

(3) There may be cases when losses are discovered after a member leaves the Marine Corps and the member is not receiving any pay from the Marine Corps. In these situations, an after-the-fact FLIPL must be processed and an attempt must be made to obtain reimbursement for the lost, damaged, or destroyed property in the same manner that a FLIPL would be processed if the person was still on the Marine Corps payroll.

(4) Do not send FLIPL files to the DO/FO until the procedures in this paragraph have been accomplished unless the debtor cannot be contacted. If files are transferred to the DO/FO, they must contain the appropriation to be credited and the member's last known address.

i. Collection From Retired Members. If a Marine Corps member retires before a FLIPL is completed, the following procedures apply:

(1) If the member has not been notified of an assessment for financial liability before retirement, accomplish notification and disposition in the same manner as a separated member.

(2) If local collection cannot be made using procedures prescribed in this paragraph, the files must be transferred to the DO/FO for referral to DFAS for offset against the member's retired pay.

(3) If a member has acknowledged an assessment of financial liability by signing block 16g of the DD 200 before retirement, notification of the approving authority's assessment is accomplished in the same manner as a separated member. If

12 SEP 2016

local collection cannot be made, transfer these files for collection to the DO/FO.

(4) Do not send FLIPL files to the DO/FO for referral to DFAS for collection until the procedures in this paragraph have been accomplished. If files are transferred to the DO/FO, they must contain the amount of the debt. In the transmittal memorandum, request a treasury check be sent to the DO/FO maintaining the accounts receivable. When the check is received by the DO/FO, the proper account is credited.

j. Accounting for Collections and Receivables. NOTE: This sub-paragraph is included as information. The procedures listed below are accomplished by the DFAS.

(1) Credit collections, whether cash or by voucher deduction, to General Fund (Miscellaneous) Receipts, Recoveries for Government Property Lost Or Damaged. Collections for government property lost, damaged, or destroyed of other DoD components must also cite this receipt account. Collections for damage to family housing are credited to the Family Housing Management Account. Collections for damage to unaccompanied personnel housing are credited to the local O&M appropriation. Collections for loss or damage to Marine Corps stock or industrial fund property is credited to the appropriate division of the fund involved. Collections for loss or damage to property of a vendor, contractor, or another government that the United States Government has an obligation to return are credited according to the provisions of the contractor the regulations of the theater of operations implementing the international agreement.

(2) Refund receivable records are established by DFAS upon notification from the FLIPL manager for FLIPL debts that are credited to accounts other than General Fund (Miscellaneous) Receipts, Recoveries for Government Property Lost Or Damaged when collected. Receivables for uncollectible accounts may be transferred to the DFAS Debt Collection Office only after notification and follow-up requirements have been met by the creditor organization. The DO/FO notifies the FLIPL manager when the case file is transferred. Once transferred, no further follow-up action is required by either the DO/FO or the FLIPL manager. For debts, where offset is available against a member's retired pay, the DFAS retains accountability for related refunds receivable. DFAS makes offsets and transfers funds collected to the DFAS office at the originating base to liquidate the refunds receivable. Close coordination with the FLIPL manager is required.

12 SEP 2016

k. Cases Not Covered By This Paragraph. In these cases, the approving authority or appointing authority should query the DO/FO regarding how to address the problem.

20. Refunds. If an erroneous collection has been made, the approving authority will inform the individual concerned of the adjustment, authorize refund of the amount collected, and advise the DO/FO in writing to process the refund. The refund voucher must be supported by references to the collection voucher or military pay order (MPO) number used for the initial collection and a copy of the document containing the reason for the refund. If final action on the FLIPL was made by the higher command approving authority, correspondence authorizing repayment must be sent to the unit of origin. Attach the correspondence to a copy of the DD 200.

a. Members Reassigned. If a member from whom a collection was made has been transferred from the organization originating the charge, all concerned should refer to paragraph 15.

b. Members Retired. The approving authority must notify the DO/FO to prepare refund documentation if the member's address is known. The refund voucher must be properly supported by documents authorizing the refund. If the member's address is not known, obtain a current mailing address from the DO/FO or from DFAS and notify the DO/FO accordingly. Do not transfer the file to DFAS for refund action.

21. Reconsiderations, Appeals, and Waivers. After action has been taken by the approving authority on a determination of liability under the provisions of this Bulletin, a FLIPL will not be reopened, corrected, or altered in any manner except as provided in this paragraph.

a. Requests for Reconsideration. The approving authority who took action on the FLIPL may consider a request for reconsideration submitted by the individual involved in the loss, damage, or destruction of property. If the individual with approving authority no longer has such authority (e.g., transfer, separation, relief of approving authority, etc.), the request for reconsideration will be submitted to the relieving individual with approving authority. The request for reconsideration may consist of:

(1) Minor Corrections. Minor corrections which do not involve important changes in findings or recommendations of the

12 SEP 2016

FLO or in the action of appointing or approving authorities may be made on the original FLIPL on file.

(2) Cancellation. Cancellation of a finalized FLIPL that was used to adjust property control records is seldom necessary or desirable; however, the approving authority who took action may cancel the original FLIPL if circumstances warrant. This could include duplicate FLIPLs or discovery of items previously reported as lost. The approving authority canceling a FLIPL must notify each activity involved and ensure that all actions taken to adjust the property records are reversed.

(3) New Evidence. If new evidence or information becomes available, the approving authority may reopen a FLIPL. Amending action may be taken with or without reinvestigation; however, the approving authority may direct the FLO to further investigate the case as appropriate. Upon completion of the additional investigation, the FLIPL must be resubmitted through original channels to the approving authority taking previous action. Notice of corrective action on a FLIPL must be communicated to all activities involved.

(4) Property Recovered Is Damaged. When property believed to be lost and dropped from property records by an approved FLIPL is later found but is damaged, the original FLIPL will be canceled and a new FLIPL initiated to:

- (a) Establish responsibility for the damage.
- (b) Establish financial liability, if warranted.
- (c) Establish monetary loss or cost of repair.
- (d) Dispose of unserviceable property.

b. Appeals. A person held financially liable may appeal the findings of a FLIPL. See paragraph 21 for additional detail.

(1) The appeal must be submitted in writing, and specifically state the alleged errors or injustices occurring during the FLIPL process. The member may seek legal assistance in preparing the appeal.

(2) Appeals must be submitted to the approving authority within 30 days of the date the individual's request for reconsideration was denied by the approving authority, or 30 days from the date the individual was notified of an assessment of

12 SEP 2016

financial liability in cases where a request for reconsideration was not made.

(3) The approving authority must forward the DD 200 and appeal to the next higher approving authority in the chain of command for adjudication. This must occur within five working days from the date that the appeal is received.

c. Preparation of FLIPL Files for Forwarding. The appeal file forwarded to the next higher approving authority must contain the following documents:

(1) The appeal letter from the individual.

(2) DD 200 and all supporting documents.

(3) The request for reconsideration letter from the individual, and a statement from the approving authority indicating the reasons for denying the request for reconsideration.

(4) A statement which responds to each contention or allegation raised by the individual.

(5) Any additional information that would assist the next higher approving authority in ruling on the appeal.

d. Housing Damage Waivers. Approving authorities may waive all or part of the assessed liability for damage to government accommodations based on the circumstances in the case.

22. Rights of the Individual if the Approving Authority Assesses Financial Liability. If the approving authority determines that a member or civilian employee should pay for the loss or damage of property, the approving authority must allow the individual to examine the entire FLIPL package and to submit a request for reconsideration if necessary. Additionally, the approving authority must inform the individual of their right to obtain legal advice from a Judge Advocate and to submit an appeal to the next higher approving authority. In order to challenge the FLIPL decision, the member or employee must submit evidence to the approving authority within certain time limits.

a. Time Limits. The time limits for submitting requests for reconsideration vary depending on how the approving authority notified the individual. If the individual was notified in person, then they have five calendar days from that date to submit

12 SEP 2016

a request for reconsideration. If the individual was notified by mail and they reside in the same country as the approving authority, they have 15 days from the date the FLIPL was received to respond. If they are in a different country from the approving authority, they have 30 days from the date the FLIPL was received to respond.

b. Content of the Appeal. To properly appeal the approving authority's decision, the individual must know the basis for the decision. Therefore, it is vital that they carefully read the FLIPL findings and recommendations. In order for the approving authority to recommend liability, he or she must find, based on the evidence in the report, that the individual willfully or negligently caused the property to be lost or damaged.

(1) Willful Misconduct. To find the individual liable, the approving authority must establish that their intentional wrongful or unlawful act or omission resulted in a loss of government property.

(2) Negligence and Proximate Cause. To find the individual liable, the approving authority must establish that they were negligent and that negligence was the proximate cause of the loss. A four-part test must be followed before determining financial liability.

(a) Part 1: The individual must have a duty to care for the property. This duty can arise in numerous ways such as: signing for the property; responsibility for supervising individuals using the property; custodial responsibility; or having physical possession of the property.

(b) Part 2: The individual must have breached the above-described duty of care. Whether the individual has breached the duty of care depends on the circumstances in each case. The standard to be applied is whether they acted in a manner that a reasonable person would have acted if faced with the same situation. Acts or omissions can cause breaches.

(c) Part 3: The individual's negligence (breach of duty) was the proximate cause of the loss. The breach of duty cannot be merely a potential factor in the cause of the loss, but rather the act or omission that actually caused the loss.

(d) Part 4: There must be a loss to the government, which includes loss of accountability.

12 SEP 2016

(e) The approving authority may also determine gross negligence resulted in the loss. To find gross negligence, the approving authority must establish that in addition to breaching the four-part test above, the individual's conduct was an extreme departure from the course of action to be expected of a reasonably prudent person. An act of gross negligent is characterized by a reckless, deliberate, or wanton disregard of the foreseeable consequences.

(3) Evidence. The individual should gather any documents, photos, statements, and other evidence that will support their position. The request for reconsideration or the appeal should explain why the approving authority's decision is erroneous, and why the individual's evidence supports their position.

c. Processing DD 200s. If the approving authority believes that the individual is liable, he or she will forward the report to the Staff Judge Advocate for legal review. If the report is determined to be legally sufficient, the approving authority will notify the individual in writing if he or she intends to hold them financially liable. This letter will also inform the individual of the following rights:

(1) To receive legal advice from the local Legal Assistance Office.

(2) To inspect and copy Marine Corps records relating to the FLIPL report.

(3) To request reconsideration based on legal error.

(4) To request extension of the collection period.

(5) To request waiver or cancellation of the indebtedness. However, the member or employee must request this before the entire amount is collected from their pay. Further collection action must be suspended pending the outcome of the request for waiver or cancellation.

(6) To submit an application to the Board for Correction of Naval Records (BCNR). Requests to the BCNR must be made using DD 149, "Application for Correction of Military Record Under the Provisions of Title 10, U.S. Code, Section 1552." The DD 149 is mailed directly to the BCNR (Board for Correction of Naval Records, 701 S. Courthouse Road, Suite 101, Arlington, VA 22204-2490). Additional information on the BCNR can be found at:

12 SEP 2016

<http://www.public.navy.mil/bupers-npc/career/recordsmanagement/pages/bcnr.aspx>.

(7) If the individual does not exercise the above rights or if they are unsuccessful, then the amount owed will be withheld from their pay within 30 to 60 days.

d. Amount of Liability. The financial loss is calculated using the lost item's current fair market value and depreciation. The member or employee will not pay more than one month's base pay, unless they fall into one of the following categories: accountable officers; persons losing public funds; or persons who lose, damage, or destroy government quarters, furnishings, or equipment in quarters due to gross negligence or willful misconduct. Base pay is determined at the time of the incident, not when the FLIPL is completed.

23. FLIPLs Pertaining to Vehicles. This paragraph provides guidance relating to damage to private conveyances, rental vehicles, and government owned vehicles. For the purposes of this Bulletin, a vehicle is considered to be any piece of equipment that moves on a solid surface either under its own power, towed, or pushed and is used to move people or things. A vehicle can be mounted on wheels, tracked treads, or runners and be of commercial or military design. The following are examples of vehicles; however, it is not an all-inclusive list: sedans; pick-up and cargo trucks; prime movers; trailers; motorcycles; tracked vehicles; manual or motor operated cranes; snow mobiles; aircraft cargo loaders; hand operated or mechanized warehouse material handling equipment, such as warehouse tractors and trailers, forklift trucks, cranes, stackers which may be manually or computer controlled, and any other type of mechanized materials handling item. This list compliments the definitions of a vehicle in reference (i).

a. Damage Involving Private Conveyances. Damage to Marine Corps property resulting from operation of privately owned vehicles, boats, airplanes, or other conveyances is not generally subject to the FLIPL process. Claims or administrative action against responsible individuals are usually pursued under references (b) and (c) and other regulations. If Marine Corps members or employees are involved, a FLIPL may be processed instead of asserting a tort claim for the damage to Marine Corps property. These actions must be coordinated with the legal office.

b. Damage to Rental Vehicles

12 SEP 2016

(1) A FLIPL will be initiated for damage to General Services Administration vehicles and commercial rental vehicles under Marine Corps control. Commercial rental vehicles are under Marine Corps control when a Marine Corps contracting officer enters into a written agreement with a commercial rental vehicle company.

(2) Damage to vehicles rented by Marine Corps members and employees directly from commercial companies is not subject to the provisions of this Bulletin, regardless of whether or not the rental was authorized on government orders.

c. FLIPL Guidance and Procedures for Government Vehicles

(1) In cases involving government vehicles, the standard used for processing a FLIPL and imposing financial liability is gross negligence, willful misconduct, or deliberate unauthorized use.

(2) Rationale for "Gross Negligence". The "gross negligence" criterion has been adopted to eliminate the significant expenditure of resources to process FLIPLs for little monetary return to the government and to more equitably distribute the risk of liability associated with government vehicle damage. Past practices had resulted in unfairly charging the vehicle operators (normally the most junior Marine and civilian employees) for motor vehicle damage, which is commonly recognized as a normal cost of doing business. However, the gross negligence standard does not preclude a commander from taking other administrative or disciplinary actions against individuals who damage government vehicles.

d. Overall Guidance.

(1) When a Vehicle FLIPL Is Required. The DD 200 must be processed in all loss, damage, or destruction cases if there is evidence of gross negligence, willful misconduct, deliberate unauthorized use, or if property records must be adjusted.

(2) Assigning Financial Liability. Marine Corps members and employees can be held financially liable only in those cases in which the loss or damage to government motor vehicles was caused by the member's or employee's gross negligence, willful misconduct, or deliberate unauthorized use.

12 SEP 2016

(3) Punishments and Administrative Actions. The fact that a DD 200 was not processed or financial liability was not imposed on the person responsible for the vehicle damage does not prevent the commander from taking other action punitive or administrative actions against the responsible person.

e. Implementing Instructions.

(1) Directing a Fact-Finding Investigation. When a vehicle is lost, damaged, or destroyed, the approving authority, appointing authority or the commander of the organization that has possession of the vehicle will direct an informal fact-finding investigation to ascertain the facts in the case and to help the approving or appointing authority decide on whether or not to proceed with a FLIPL investigation. This also applies to vehicles that may be deployed or issued to individuals outside of the owning organization.

(2) Vehicle Accident Reports. A motor vehicle accident investigation report prepared by security police personnel, civilian law enforcement authorities, or transportation/vehicle control officers may be used by the appointing authority to determine whether there is evidence of gross negligence, willful misconduct, or deliberate unauthorized use. The accident investigation report can be used for this purpose only if it thoroughly documents the facts and circumstances of the damage.

(3) Other Accident Investigations. If an accident investigation report was not accomplished, has insufficient information, or leaves doubt that all facts have been presented, then the appointing authority must appoint a FLO to conduct an investigation to determine all facts and circumstances of the damage.

(4) Financial Liability Officer's Recommendations. After reviewing the facts and circumstances of the damage, the FLO must make a written recommendation to the approving or the appointing authority as to whether or not negligence is involved and whether financial liability should be assessed. The FLO's findings and recommendations will be provided in block 15a of the DD 200. After considering the FLO's recommendation, the approving or the appointing authority, as applicable, will make the final decision for assessing financial liability to individuals involved or relieving them of responsibility.

24. Supply System Stocks. This paragraph applies to Marine Corps property stored in inventory locations defined as "supply system

12 SEP 2016

stocks" and contains procedures to be followed when discrepancies are discovered.

a. Supply system stocks are those inventories where a stock record account is required to be maintained in a Marine Corps-approved accountable property system of record (e.g., Global Combat Support System - Marine Corps (GCSS-MC) or Ordnance Information System - Marine Corps (OIS-MC)), showing by item the receipt, issue, and disposal of property, the balances on hand, and such other identifying or stock control data as may be required to record its position within the supply chain en route to its end use. Supply system stocks can include operating materials and supplies (OM&S), inventory, and military equipment not in use. This includes in-stores equipment and retail inventories financed by stock funds and other appropriations for issue to end-use customers.

(1) Operating Materials and Supplies (OM&S). OM&S is tangible personal property to be consumed in normal operations. Repairables and consumables that are not for sale are considered OM&S. This includes ordnance.

(2) Inventory. Inventory is materiel, titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal.

(3) Military Equipment Not In Use. This includes military equipment positioned in storage locations for issue to end-use customers (i.e. Stores Account Code 1Table of Authorized Material Control Number (TAMCN) items positioned at intermediate activities).

b. If a loss occurs in supply system stocks because supervisors did not ensure that stocks were properly inventoried, this may be the basis for finding an individual negligent in the performance of assigned duties.

c. Guidance. Inventory managers (i.e., OIC for a Supply Management Unit (SMU) Storage Operations, OIC for a Repairable Issue Point, Property Custodian, etc.) for supply system stocks are liable for the full amount of the loss, damage, or destruction of property for which they are accountable when the loss, damage, or destruction is caused by their negligence, willful misconduct, or deliberate unauthorized use.

12 SEP 2016

d. DoD Supply System Stocks Procedures. For guidance and procedures pertaining to inventory losses of supply system stocks, refer to paragraph 0708 of Volume 12, Chapter 7 of reference (n).

e. Marine Corps Procedures Implementing DoD Policy

(1) Discrepancies in supply system stocks may occur between stock record account balances and materiel in storage. Inventory managers will investigate these discrepancies to determine the reason for the out-of-balance condition. If the initial investigation reveals that the discrepancy is the result of paperwork or posting error, make an accounting adjustment to bring the appropriate records into balance.

(2) If the initial investigation does not identify the cause of the discrepancy and if the discrepancy does not meet the requirements for a mandatory FLIPL, use an inventory adjustment document to adjust the stock record account.

(3) A further investigation must be conducted if the initial investigation does not identify the cause of the discrepancy and the discrepancy meets the requirement for a FLIPL. Document the results of the FLIPL investigation on a DD 200. Use the FLIPL to substantiate adjustment of the stock record account, to recommend corrective action, and to determine the financial responsibility of the accountable officer or any other person involved in the discrepancy. Because supply system stocks are high volume/fast moving inventory, the suspense copy of the DD 200 can be used to adjust the inventory control record pending receipt of the approved DD 200. This is separate from property record adjustments for property record items discussed in paragraph 25.

f. The investigation will cover the requirements listed in reference (n) as a minimum. These requirements include:

(1) Reviewing and evaluating existing internal controls and property control procedures for their adequacy in protecting property.

(2) Determining compliance with prescribed internal controls, regulations and procedures.

(3) Determining who is involved and what responsibilities they have been assigned.

(4) Determining whether simple or gross negligence or abuse is evident.

12 SEP 2016

(5) Reviewing of causative research conducted.

(6) Determining the cause or the probable cause of the inventory loss.

(7) Recommending actions to minimize recurrence of the inventory loss.

g. Corrective Action Statement. In cases where the investigation determines any type of deficiency in the control of or accounting for property, a statement must be made in block 10 of the DD 200, on the action taken to prevent recurrence of the discrepancy.

h. Accountable Officer Signature. Block 17e of the DD 200 must be signed by the accountable officer having accountability for supply system stocks.

i. Reviewing Authority Signature. Block 12f of the DD 200 must be signed by the reviewing authority for supply system stocks.

25. Property Record Items. Property record items includes all Marine Corps property, other than supply system stocks, which have been fielded to their final destination in the supply chain. This paragraph applies to Marine Corps property defined as "property record items" and contains procedures to be followed when discrepancies are found. This category of property includes the following DoD definitions:

a. General Equipment. General equipment is property of any kind (i.e., General Property, Plant, and Equipment) except real property (land and improvements to facilities). It has an expected useful life of two or more years; is not intended for sale in the ordinary course of business; does not ordinarily lose its identity or become a component part of another article; and is available for the use of the reporting entity for its intended purpose. Sub-categories of general equipment include:

(1) Military Equipment in Use. Military equipment (ME) is a type of general equipment and includes weapon systems that can be used directly by the Armed Forces to carry out battlefield missions. The Marine Corps will assign a TAMCN to all ME. Marine Corps examples include: combat vehicles, tanks, artillery and crew serve weapons. The term "in use" refers to ME acquired and fielded to its intended element of the approved acquisition

12 SEP 2016

objective. This includes equipment in stores, equipment on-hand at consumer level organizations, pre-positioned equipment, Depot Maintenance Float Allowance, or equipment in the possession of a commander or in the possession of a third party.

(2) Garrison Property. Garrison property is used to provide general government services or goods in the support of end item development, maintenance, storage, and/or to support the operations of a Marine Corps installation and its tenant activities. Garrison property includes, but is not limited to, office equipment, automated data processing equipment, industrial plant equipment, training equipment, special tooling, and special test equipment.

(3) Garrison Mobile Equipment. Garrison mobile equipment (GME) is used to perform transportation and automotive maintenance functions at Marine Corps installations. Commercially available GME includes passenger vehicles, cargo vehicles, non-tactical material handling equipment, engineer equipment, and railway rolling stock.

b. Heritage Assets. Heritage assets are recognized to be assets of historical or natural significance; cultural, educational, or artistic importance; or possess significant architectural characteristics. They are expected to be preserved in museums or registered with the Naval History and Heritage Command or the National Museum of the Marine Corps.

26. Government Furnished Property (GFP). Per reference (m), GFP is property in the possession of, or directly acquired by, the government and subsequently furnished to a contractor for the performance of a contract. The contracting officer (KO) to whom the contractor is assigned is responsible for complying with the applicable provisions of reference (h).

a. The purpose of processing a DD 200 for items lost, damaged, or destroyed by contractors is to provide the SupO/APO with an adjustment document for use in adjusting the accountable records. It is not used to relieve or hold the contractor liable for lost, damaged, or destroyed GFP.

b. When the loss of GFP in an APSR involves possible contractor liability under a service contract, the contractor will process and report discrepancies, loss of government property, physical inventory results, audits and self-assessments, corrective action and other property related reports as directed

12 SEP 2016

by the KO. The report will be in accordance with the Federal Acquisition Regulation.

c. The KO in coordination with the management control activity (MCA) at Marine Corps Logistics Command or Marine Corps Systems Command will investigate the loss and make an independent finding as to the liability of the contractor. Once this is complete, the KO will provide a copy of the investigation to the applicable MCA. The KO is the final authority in determining relief or liability in regards to contractors.

d. The MCA will process a DD 200 to adjust the accountable records. The MCA will only fill out blocks 1, 3, 4-9, and 17a-f of the DD 200 to ensure that the government property is accurately identified (i.e., NSN, Qty, Serial #). The MCA will use the findings and exhibits from the investigation as supporting documentation for auditing purposes.

27. Retail Bulk Petroleum Losses. Retail bulk petroleum losses will be resolved per references (k) and (n).

a. Loss Expectancy. Some losses are unavoidable in the handling and storage of volatile products. These losses can be controlled by management actions to limit the rates of loss for such products so that standards are not exceeded. Reference (k) provides authorized loss allowances for bulk petroleum.

b. Categories of Losses. Reference (k) categorizes retail bulk petroleum losses as follows:

(1) In-Transit Losses. Losses of product received at DoD activities are allowable only when the actual loss is within the authorized allowance. When a loss exceeds the allowance, a portion of the loss is not allowable, and the entire loss will be reported as prescribed in reference (k). Causative research will be performed if there is any suspicion of negligence or abuse on the part of government personnel who contributed to the loss.

(2) Operating Losses. Terminal operating loss allowances for various types of petroleum products are prescribed in reference (k). When the loss exceeds the stated allowance, a portion of the loss is not allowable, and the entire loss must be researched and reported.

(3) Determinable Losses. Losses which occur from determinable causes (such as tank overflows, spills, pipeline breaks, fire or unrecoverable tank bottom) can normally be

12 SEP 2016

precluded or greatly minimized by effective management. These losses will be researched and reported in accordance with reference (l).

(4) Any trends, such as a pattern of losses within the allowable percentage, require further research and investigation. These losses shall be researched and reported in accordance with references (k) and (n).

28. Government Housing. Reference (n) volume 12, chapter 7 outlines DoD policy pertaining to government housing liability. Portions of reference (n) are included in this paragraph that prescribes the financial liability of military personnel for the loss, damage, or destruction of government housing (family housing, unaccompanied personnel housing or barracks). It also describes minimum requirements for assessing financial liability when government housing, including equipment or furnishings therein, is lost, damaged or destroyed. Government housing within the scope of this paragraph includes both permanent and temporary quarters and barracks either owned by, or controlled by, the U.S. Government.

a. Determination of Proximate Cause. A member of a military Service shall be held liable to the United States for the loss, damage or destruction of family housing or an unaccompanied personnel housing unit assigned to a member, including equipment and furnishings therein, when a determination is made that the loss, damage or destruction was proximately caused by the abuse or negligence of the member, a dependent of the member, or a guest either of the member or the member's dependent.

b. Financial Liability of Occupants. Financial liability against personnel for the loss, damage or destruction of government housing, including equipment and furnishings will be assessed for the full amount of the loss if the loss, damage or destruction was proximately caused by gross negligence or abuse. Liability of occupants for damage to government housing and related equipment and furnishings is prescribed in reference (b).

c. Determination of Negligence. Determinations must be made on whether the loss or damage to government housing was proximately caused by simple or gross negligence of the member, the member's dependents, or guests of either. Simple negligence is the failure to act as a reasonably prudent person would have acted under similar circumstances. Gross negligence is the extreme departure from the course of action expected of a

12 SEP 2016

reasonably prudent person, accompanied by a reckless, deliberate, or wanton disregard for the foreseeable consequences of the act.

(1) When the proximate cause of the loss or damage is determined to be gross negligence, the financial liability of the member will be for the total amount of the loss to the government. If a member's dependent or guest causes a loss or damage through gross negligence, the member will be fully liable for the loss or damage if the member was "on notice" of the particular risk involved and failed to exercise reasonable, available opportunities to prevent or limit the loss or damage. In the absence of evidence to the contrary, the member will be presumed to have been "on notice" of any risks attending the activities of family members and guests on the premises.

(2) Where simple negligence is determined to be the proximate cause of the loss or damage, the financial liability of the member will be limited to an amount equal to basic pay for one month at the rate in effect at the time of the loss, or the amount of the loss, whichever is less.

(3) A member is liable for damages to any assigned family housing or unaccompanied personnel housing unit (including loss or damage to equipment and furnishings therein) if a FLO determines that the loss or damage was caused by the member's negligence or deliberate unauthorized use of such unit.

(4) A FLIPL investigation is required for members who damage assigned and non-assigned government quarters. If both assigned and non-assigned quarters are damaged in the same incident, a member may be held liable for damage to assigned quarters, and may also be held liable for damage to non-assigned quarters up to one month's basic pay. Under these circumstances, total liability for all quarters damaged in a single incident may not exceed one month's basic pay, unless gross negligence or willful misconduct is involved.

(5) If assigned quarters and personal or organizational equipment are damaged in the same incident, a member may be held liable for quarters damage and may also be held liable for damage to the personal or organizational equipment.

d. Responsibility for Submitting a FLIPL. Normally, the base housing manager is responsible for initiating a FLIPL for loss, damage or destruction to Marine Corps controlled family housing. The approving authority must designate a representative to

12 SEP 2016

initiate a FLIPL for the loss, damage or destruction of unaccompanied housing or the barracks.

e. Waiver Provisions - Housing Damage. Reference (b) provides for waiver of liability arising under certain conditions. The waiver applies to both family housing and unaccompanied personnel housing.

f. Waiver Consideration for Housing Damage. Liability resulting from damage to assigned family housing or unaccompanied housing (including equipment and furnishings therein) is subject to waiver by the FLIPL approving authority. Liability may be waived in whole or in part by the approving authority if, based upon the unique circumstances of the case, it is determined that the waiver is in the best interest of the government.

(1) Factors To Be Considered. In determining whether or not liability should be waived by the approving authority, factors to be considered may include the following:

(a) The degree of abuse or negligence involved.

(b) Where damage was caused by a dependent or guest, whether or not the member or the member's spouse was on notice of the activities in question and exercised available opportunities for preventing or limiting the damage, or otherwise exercised proper control over dependents or guests.

(c) The extent, if any, to which involuntary collection of pay would cause substantial financial hardship, constitute a clear injustice, or adversely impact unit morale and discipline.

(d) The relative culpability of other individuals whose actions or omissions may have contributed to the damage or loss.

(e) Any prior instances of abusive or negligent conduct toward government property.

(f) In overseas areas, the unavailability of private insurance to cover the liability of individuals who would normally be insurable in the United States.

(2) Waiver Procedures. A member may specifically request a waiver and provide support for the request in writing. In the absence of such a request, the approving authority must also

12 SEP 2016

consider the appropriateness of granting a waiver based on the information in the FLIPL.

(a) Individual Charged. Once a member has been notified that financial liability is being assessed for damage to government housing, the individual must be advised of available options. One option is to submit a fully substantiated waiver request to the approving authority. The waiver request must be submitted within five calendar days from the date the individual was notified of financial liability.

(b) Approving Authority. Upon receipt of the waiver request, the approving authority must decide whether to approve or disapprove the waiver. If the approving authority waives the liability in full, disposition is the same as for relief of liability. The approving authority will advise the member that the debt is canceled. If the approving authority does not waive the liability in full, the member must be notified and must be advised of his or her right to seek legal counsel and to appeal the decision to the installation commander.

(c) Waiver Appeals. Upon receipt of a disapproved waiver request from the approving authority, the member may appeal the decision to the installation commander as the higher level approving authority for FLIPLs related to government housing. This option must be exercised within 30 days of the date the member is notified that the waiver request is disapproved. The DD 200, appeal, and waiver package must be sent to the installation commander for final decision. Appeal procedures in paragraph 16 apply.

1. If the installation commander approves the appeal and waives the liability in full, the file will be returned to the approving authority for action.

2. If the installation commander does not waive the liability in full, the file will be returned to the approving authority. The approving authority will notify the individual of the decision and will pursue collection via the individual's servicing DO/FO. If part of the liability is waived, the DO/FO will reduce the debt and collect the appropriate amount.

(d) In cases where the local installation commander is the approving authority for the FLIPL and has denied a request for waiver from an individual, the appeal must be forwarded to the regional Marine Corps Installations (MCI) Commander for adjudication as the next higher approving authority.

12 SEP 2016

g. Privatized Housing. The majority of Marine Corps family housing is currently managed, maintained and operated by Private Partners. Private Partners managing family housing have their own corporate procedures for initiating investigations for property loss, damage or destruction and for collecting funds from members who are found liable. These processes and procedures are spelled out in the renter's agreement between the Private Partner and the member. The Private Partner's Community Manager may engage the base housing office or the installation commander if they determine that the loss, damage or destruction is the result of the member's abuse or negligence.

12 SEP 2016

Enclosure 2

DD 200, Financial Liability Investigation of Property Loss
Instructions1. DD 200, Financial Liability Investigation of Property Loss.

An electronic version of the DD 200 can be located at:

<http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd0200.pdf>

. Prepare and complete the DD 200 as follows:

a. The DD 200. The original and one copy will be provided to the Supply Officer/FLIPL Manager. More copies can be reproduced, if required, to fill the command requirements.

b. Block 1. The Supply Officer/FLIPL Manager annotate the date the investigation was initiated.

c. Block 2. The Supply Officer/FLIPL Manager assigns an inquiry/investigation number within the first 15 days of the date the FLIPL is initiated. This provides a control or suspense for completion of the initiation phase.

d. Block 3. The individual initiating (e.g. Supply Officer, Responsible Officer, Sub Custody Record Holder, etc.) the DD 200 enters the date the loss, damage or destruction was discovered.

e. Block 4. The individual initiating enters either the national stock number (NSN) or manufacturer's part number. In the event there is no stock or part number, enter "N/A." Any number of transactions can be listed, as long as they pertain to the same incident and the persons responsible for the property are the same. Use an attachment if needed for additional items. This applies for blocks 4-8.

f. Block 5. The individual initiating enters the correct name of the property lost, damaged, or destroyed, including any serial numbers. If the property is not stock listed, give an accurate description sufficient for identification. If only a portion of a major item is damaged, describe the major item fully, and then describe the damages. If a vehicle is damaged, describe the type of vehicle and vehicle number.

g. Block 6. The individual initiating enters the quantity and if applicable, standard unit measure for the item.

h. Block 7. The individual initiating enters the actual unit cost or standard price (current replacement cost). A copy of the

12 SEP 2016

property records (i.e. consolidated memorandum receipt (CMR)) listing that identifies the current replacement cost of the lost, damaged or stolen item(s) should be forwarded with the FLIPL. Questions regarding prices should be referred to the supply officer or accountable property officer.

i. Block 8. The individual initiating enters the total cost for the loss, damage or destruction of the property.

j. Block 9. The individual who initiates the DD 200 completes this block. Describe the circumstances leading to the loss, damage, or destruction of property. The information in this block can assist the approving authority in making a determination of whether or not negligence, willful misconduct, or deliberate unauthorized use was the cause of the loss, damage, or destruction.

k. Block 10. If investigations reveal deficiencies in directives, procedures, internal controls, etc., a statement of corrective action is required to document the action that was taken or will be taken to prevent recurrence of the incident. The originating office or the initial investigating official prepares the corrective action statement.

l. Block 11. This block will include point of contact information for the initiating individual completing blocks 1-10.

m. Block 12. The supply officer or accountable property officer completes this block. The supply officer or accountable property officer provides a recommendation on whether abuse or negligence was involved in the loss, damage, or destruction of property, and whether investigative action is warranted.

n. Block 13. The appointing authority completes this block including approval or disapproval of recommendations from the FLO, the supply officer, or accountable property officer. If the approving/appointing authority is the same individual, he will complete blocks 13 and 14.

o. Block 14. The approving authority completes this block including approval or disapproval of recommendations from the appointing authority, the FLO, the supply officer or accountable property officer. Use this block to specify the amount of financial liability assessed or relief from liability. The approving authority will also use this block to authorize the loss of destroyed or lost property.

12 SEP 2016

p. Block 15. This block is completed by the FLO to identify findings and recommendations from the investigation.

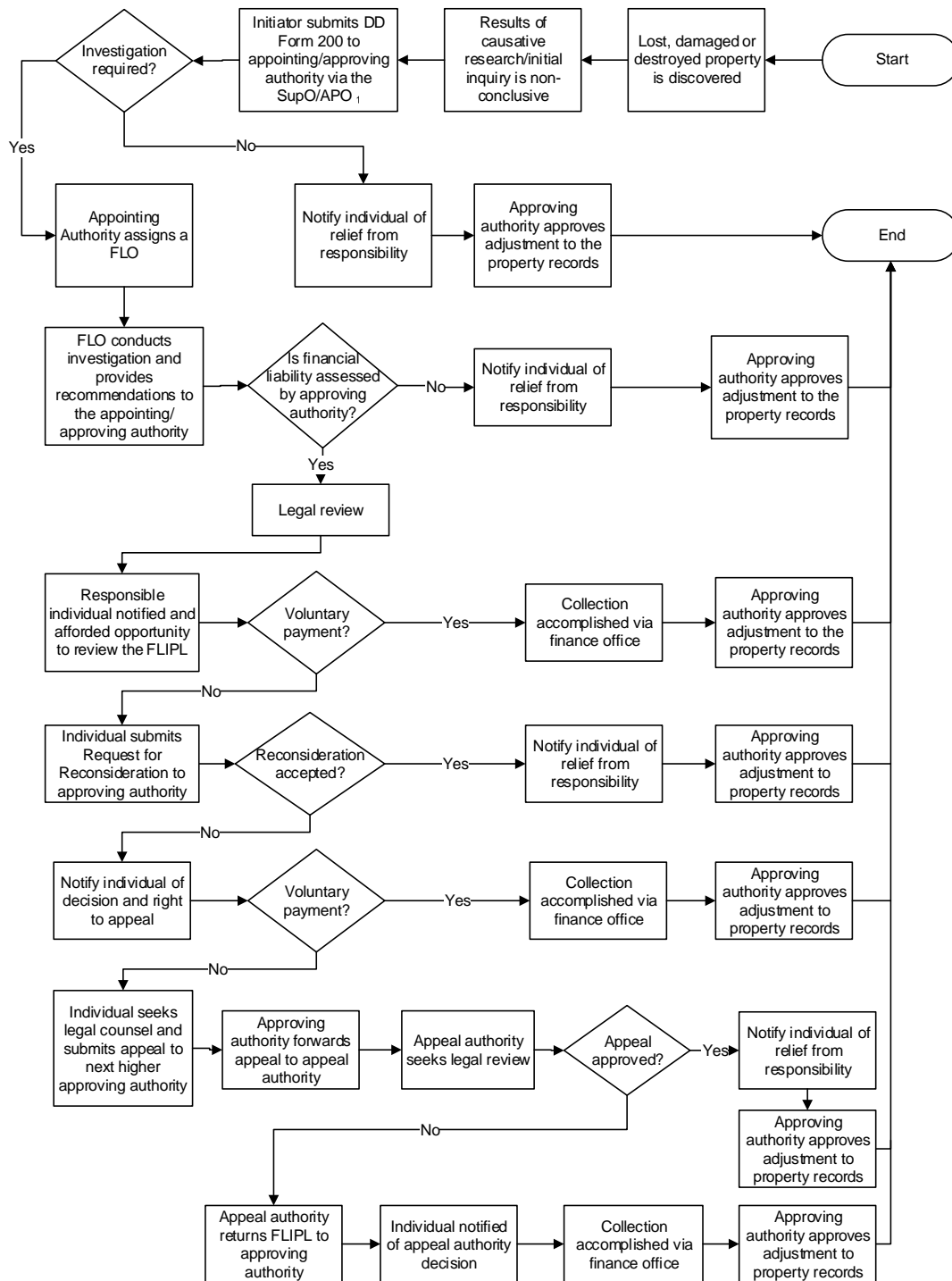
q. Block 16. The individual charged completes this block as acknowledgement of his rights and the initial decision by the approving authority.

r. Block 17

(1) Block 17a. The supply officer or the accountable property officer completes this block to identify document numbers used to adjust the property records.

(2) Blocks 17b-17f. This block is completed by the Accountable Officer (Commanding Officer/Commanding General).

12 SEP 2016

Enclosure 3Financial Liability Investigation of Property Loss Process Flow

Footnote 1: Inventory adjustments for supply system stocks (e.g., OM&S) may be made at this point.

Enclosure 4

Sample Financial Liability Officer Appointment Letter

4400
(code)
(date)

From: Approving or Appointing Authority

To: (Rank First Name MI. Last Name)

Subj: APPOINTMENT AS FINANCIAL LIABILITY OFFICER

Ref: MCBUL 4400.x

Encl: DD 200, Financial Liability Investigation of
Property Loss

1. You are hereby appointed as a Financial Liability Officer pursuant to MCBUL 4400.x to conduct an investigation into the circumstances surrounding the loss, damage or destruction of government property assigned to (unit). Your task in conducting an investigation of property loss is to determine whether someone's negligence or willful misconduct was the proximate cause of the loss, damage, or destruction. If an individual was negligent, and that negligence was the cause of the loss, damage, or destruction, it is appropriate to recommend assessment of financial liability against that individual.

2. During your investigation, the following specific issues will be addressed:

a. Verify the type and quantity of government property lost, damaged or destroyed.

b. Establish whether correct accountability procedures and policies were followed in this case.

c. Establish the chain of custody for the lost, damaged or destroyed property. Detail any lapses in the chain of custody or accountability of the government property.

d. Determine whether there were any failures to follow appropriate procedures and policies leading to the loss, damage or destruction of government property

3. Before you begin your investigation you should contact

XXXXXXXX at XXXXX or XXXXXXXX@usmc.mil, who will serve as your legal advisor. You will receive a mandatory legal briefing prior to beginning your investigation and will consult your legal advisor as you deem necessary during the course of the investigation. Submit your completed report of investigation to your legal advisor for review prior to delivering it to me.

4. You are to conduct this investigation using the procedures outlined in MCBul 4400.x. All witnesses will be sworn prior to their interview. You will interview all key witnesses in person when possible.

5. If, in the course of your investigation, you come to suspect that any individual (s) committed a criminal act or misconduct subject to adverse administrative action or punishable under the Uniform Code of Military Justice (UCMJ), immediately suspend the FLIPL investigation and notify the Approving/Appointing Authority and Legal Officer/Counsel for further guidance. In addition, you must provide each witness with a Privacy Act Statement before you solicit any information.

6. Submit your findings and recommendations on DD 200, block 15 to this office by (enter date). In the event you are unable to meet the above suspense date, prepare a written statement explaining the reason for the delay and attach it to the investigation of property loss as an exhibit. Per MCBul 4400.x, this investigation becomes your primary duty until completion and acceptance by me.

7. The point of contact for additional guidance is XXXXXX.

Approving or Appointing
Authority's Signature Block
Signature

Enclosure 5

Sample Assessment of Financial Liability by the Approving
Authority

The following is a sample letter notifying an individual that the approving authority has determined that he or she be held liable for loss or damage to government property.

4400
(code)
(date)

From: Approving Authority
To: (Rank First Name MI. Last Name)
Subj: ASSESSMENT OF FINANCIAL LIABILITY
Ref: (a) MCBUL 4400.x

1. After considering the facts and circumstances documented in FLIPL (number), I have assessed financial liability against you in the amount of \$ -- for (loss of/damage to) government property (may be specifically described here). A copy of the completed DD 200, "Financial Liability Investigation of Property Loss" is provided for your review. This FLIPL investigation was conducted under the provisions of reference (a).

2. You must decide what action you would like to take in response to this notification. The following options are available to you. You may:

a. Voluntary payment.

(1) Pay the amount due in cash to the Disbursing Officer/Finance Officer, using DD 1131.

(2) Pay the amount due by authorizing a payroll deduction, using DD 362 under the policies and procedures established in accounting and finance directives.

(3) Request a written agreement to repay the debt in installments. A request for installment payments must be accompanied by your financial statement submitted under penalty of perjury.

(4) Include comments regarding what adverse impact the assessment of financial liability will have upon you. Submission of supporting documentation is optional.

b. Request reconsideration. If you believe there are errors in the investigation, or have new evidence that may impact my decision to assess financial liability, you may submit a request for reconsideration. The request for reconsideration must be in writing and submitted to me within five days of this notification.

c. Submit an appeal. If I deny your request for reconsideration, or you do not request reconsideration, you have the right to submit an appeal in writing to the next higher approving authority for final decision. The appeal must be submitted to me within 30 days from the date your request for reconsideration is denied.

(1) If you seek legal counsel in preparing the written appeal, it must be submitted with your signature.

(2) Once I receive your written appeal, it will automatically be sent to the next higher approving authority for final decision.

3. In addition to the options listed above, you have the right:

a. To receive legal advice from the local Legal Assistance Office.

b. To inspect and copy Marine Corps records relating to the FLIPL report.

c. To request extension of the collection period.

d. To request waiver or cancellation of the indebtedness.

e. To submit an application to the Board for Correction of Naval Records (BCNR). Requests to the BCNR must be made using DD 149. The DD 149 is mailed directly to the BCNR (Board for Correction of Naval Records, 701 S. Courthouse Road, Suite 101, Arlington, VA 22204-2490). Additional information on the BCNR can be found at: <http://www.public.navy.mil/bupers-npc/career/recordsmanagement/pages/bcncr.aspx>.

4. If you do not exercise any of the options within 30 days of this notification, the Marine Corps will initiate involuntary collection action under policies and procedures in accounting and

12 SEP 2016

finance directives. The statutory authorities for involuntary collection are 37 U.S.C. Section 1007c for members and 5 U.S.C. Section 5514 for civilian employees. Any portion of the debt uncollected at the time of your employment termination will be collected from your final pay and allowances.

5. This notification is given to allow you every opportunity to respond to actions taken on the investigation of property loss. I encourage you to respond promptly. If you need administrative assistance, contact (name, organization, office symbol, and phone number of the FLIPL Manager).

Approving Authority Signature
Block and Signature

Enclosure 6

Sample Request for Reconsideration Letter

The following is a sample letter for an individual that is requesting reconsideration of financial liability from the approving authority based on inaccuracies or erroneous decisions in the FLIPL investigation.

4400
(code)
(date)

From: (Rank First Name MI. Last Name)

To: Approving Authority

Subj: REQUEST FOR RECONSIDERATION, FINANCIAL LIABILITY
INVESTIGATION OF PROPERTY LOSS (NUMBER) (\$ AMOUNT)

Ref: (a) MCBUL 4400.x

1. Per reference (a), I hereby request reconsideration of the assessment of financial liability against me for the (loss, damage, or destruction) of government property investigated under subject investigation of property loss.

2. Justification. (provide a statement of the reason(s) why you believe the approving authority's assessment of financial liability is erroneous, including a complete description of the facts, evidence, and summary of testimony of any witnesses that support your change in proximate cause. Attach copies of any pertinent records you wish to have considered if they differ from those records previously provided to you by the approving authority.)

Respondent's Signature

Respondent's Name

Enclosure 7

Sample Appeal Letter

The following is a sample letter for an individual that is appealing liability for the loss or damage of government property.

4400
(code)
(date)

From: (Rank First Name MI. Last Name)

To: Appeal Authority

Via: Approving Authority

Subj: APPEAL OF FINANCIAL LIABILITY

Ref: (a) MCBUL 4400.x

1. Per reference (a), I am appealing the assessment of financial liability against me in Financial Liability Investigation of Property Loss (FLIPL) Number _____. The approving authority has decided that I pay \$ _____ for the loss/damage/destruction of _____.

2. Facts.

a. (Explain what happened).

3. Negligence and Proximate Cause. The Financial Liability Officer (FLO) has not proven that my negligence resulted in the loss. Without proof of these elements, there is no theory of liability upon which I can be held liable.

a. Paragraph 22 in the reference, states that before a person can be held financially liable, the facts must show that he or she violated a particular duty of care toward the property through negligence or willful misconduct. Further, the facts must show that the negligence was the proximate cause of the loss.

b. Paragraph 22 in the reference, defines simple negligence as the absence of due care, by an act or omission of a person which lacks the degree of care for the property that a reasonably prudent person would have taken under similar circumstances to avoid loss, damage, or destruction to the property. Before I can

12 SEP 2016

be found liable, I must be found negligent. My negligence must have also been the proximate cause of the loss or damage.

(1) Responsibility. (Explain why you were not responsible at the time the property was lost, damaged or destroyed).

(2) Culpability. (Explain why you were not culpable at the time the property was lost, damaged or destroyed).

(3) Proximate Cause. (Explain why there is no proximate cause at the time the property was lost, damaged or destroyed).

4. Conclusion. I am not liable for the lost government property. The FLO cannot prove that: I was responsible at the time of loss, I was culpable, or I proximately caused the loss. Further, the loss was improperly calculated. Absent proof of these essential elements of negligence, I cannot be held liable for the loss.

Signature Block

Signature

Enclosure 8

FLIPL Register Template

The FLIPL Manager will maintain a FLIPL register in order to track and document unit initiated FLIPL investigations. The FLIPL register will contain the information listed below:

1. Inquiry Number - Assign an inquiry/investigation number to each DD 200. The investigation number will be composed of the Unit DoDAAC to which the lost, damaged, destroyed property is maintained, Julian Date and a serial number.
2. Date Assigned - Record the date an inquiry/investigation is assigned.
3. Organizational Point of Contact - Record the name and phone number of the organizational point of contact.
4. Form - Record the type of form (Financial Liability Investigation of Property Loss, Cash Collection Voucher, Pay Adjustment Authorization, or Statement of Charges).
5. Dollar Amount - Enter dollar value of the item and (L) for loss or (D) for damage or destruction.
6. Item Description - Enter a brief, general description of the item.
7. Responsible Individual - Enter the name of the person(s) mentioned on DD 200 as responsible for losing or damaging the property.
8. FLO and Date - If a financial liability officer is appointed, enter the name and date of appointment.
9. Amount of Financial Liability - Enter the dollar amount of financial liability and insert (A) if assessed or (R) if relieved of liability.
10. Final Action Officer and Date - Enter name of final action officer and date.
11. Comments - Explain any unusual circumstances or provide any pertinent comments (for example, appeal rendered, separation pending, etc.).

12 SEP 2016

Enclosure 9

Checklist and Tracking Document for the FLIPL

CHECKLIST AND TRACKING DOCUMENT FOR FINANCIAL LIABILITY INVESTIGATIONS OF PROPERTY LOSS To be used with DD 200			
(A) Initiator (Blocks 1 and 3 through 11 are completed by the individual initiating the investigation of property loss. Normally this will be the property custodian or supply officer. When the property custodian is not available, the person with the most knowledge of the incident causing the loss will initiate the financial liability investigation of property loss.)			
Block 1.	Has the date the investigation of property loss initiated been entered?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 3.	Has the date the loss was discovered been entered?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 4.	Has the correct stock number(s) been entered? Use a continuation sheet for multiple items.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 5.	Has the correct nomenclature(s) been entered to include serial numbers if items have serial numbers? For damaged property, enter the cost of repair or the estimated cost of repair if the actual cost is not available. Use a continuation sheet when the loss to be investigated involves more than one item.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 6.	Has the quantity of the item(s) lost, damaged or destroyed been entered? Use a continuation sheet when necessary.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 7.	Has the unit cost of the item(s) lost, damaged or destroyed been entered? Use a continuation sheet when necessary.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 8.	Has the total cost of the item(s) lost, damaged or destroyed been entered? Use continuation sheet when necessary.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 9.	Has an accurate and concise statement of facts surrounding the loss been entered? The statement should identify what happened, how it happened, where it happened, who was involved when it happened and any evidence of negligence, willful misconduct, or deliberate unauthorized use or disposition of the property.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 10.	Has a recommendation been entered by the initiator? Recommendations may be entered by the commander, supply officer, and when appropriate by the financial liability officer (FLO).	Yes <input type="checkbox"/>	No <input type="checkbox"/>

12 SEP 2016

Block 11.	Has the individual who completed blocks 1 and 3 through 10, completed blocks 11a through 11e?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Block 12.	Has the supply officer/accountable property officer completed blocks 12 through 12g with recommendations concerning whether to conduct a formal investigation?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Attach the DD 200 financial liability investigation of property loss to this checklist and tracking document and forward to the supply officer for assignment of a document/voucher number.				
(B) Supply Officer (Block 17 is completed by the supply officer/accountable property officer prior to forwarding the investigation to the appointing authority or approving authority as appropriate.)				
Block 17.	Has the supply officer completed blocks 17a through 17f showing the assignment of a document number or voucher number to the financial liability investigation of property loss for lost and destroyed property? For damaged property, a document number is not assigned.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
(C) Appointing Authority or Approving Authority Leave blocks 13a and 13d through 13h blank at this time. These blocks are completed after the investigation is completed to show whether the appointing authority approves of the FLO's findings and recommendations.				
Block 13c.	Has the appointing authority or the approving authority as appropriate completed block 13c indicating whether a FLO is appointed? When a FLO is appointed, attach the FLO Appointment Letter from the appointing authority in accordance with DOD FMR Vol 12, Ch 7 and MCBul XXX.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
(D) Financial Liability Officer (Block 15 is completed by the FLO prior to returning the investigation to the appointing authority or approving as appropriate).				
Block 15a.	The FLO's findings and recommendations are recorded here. In conducting the financial liability investigation of property loss, has the FLO:			
	o Scrutinized all available evidence.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	o Interviewed witnesses and secured statements from individuals concerning: o The cause of the loss or damage o The responsibility for the loss or damage	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	o Compiled evidence substantiating or refuting any statement in block 9, DD 200.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	o Physically examined the damaged property, when available and released it for repair or disposal. This should be	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

12 SEP 2016

	done on the first day of the FLO's appointment.			
	o Consulted with the appointing/approving authority as appropriate for guidance, when needed.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	o Determined the amount of damage, if property was damaged. This value may be the actual cost of repairs or an estimated cost of the repairs obtained from technical manuals or other reliable sources. Determine the value of the property immediately before it was damaged if the property is not economically repairable. The supply officer may be asked to assist if he or she has not been directly involved.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	o Has action been taken to exercise control over the property recovered during the investigation.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	o Has the total loss to the government been computed correctly?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	o Has the FLO coordinated this investigation with the claims investigating officer when the investigation covers the loss, damage, or destruction of government property that is being investigated by a claims FLO. This includes cases where military personnel or civilian employees, while driving a privately owned vehicle, damage government property and have insurance to pay for part of the loss.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	o Ensured that individuals being recommended for a possible charge of financial liability are aware of their rights.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	o Request individual(s) to acknowledge their understanding of their rights by completing block 16, DD 200.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	o If appropriate, prepare a statement that the individual recommended for a charge of financial liability refused to sign block 16g, DD 200 after being given the opportunity. o A full explanation of the person's rights shall be included and a reply shall be requested. o If the reply is not received within 30 days after the date of notification, the	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

12 SEP 2016

	<p>FLO shall record this fact and take action to complete the DD 200. This record of fact shall be included in or appended to the DD 200.</p> <ul style="list-style-type: none"> o Any reply received after the expiration of 30 days shall be forwarded through the same channels as the DD 200, for attachment to the original DD 200. o Was consideration given to any new evidence received after a recommendation was made? If the financial liability recommendation remains unchanged, the FLO shall note that the added evidence was considered and provide the rationale for not changing the decision. The notation shall be on all copies of the report immediately following the original recommendation. If the FLO makes a change in the original recommendations because of the new evidence, the FLO shall record such change as "Amended Recommendations." These recommendations should be recorded immediately after the original recommendations. 			
Block 15b.	Has the dollar amount of the loss been entered by the FLO?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 15c.	When a charge of financial liability is being recommended, has the monthly basic pay of the respondent been entered?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 15d.	When a charge of financial liability is being recommended, has the recommended amount of financial liability been entered?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Blocks 15e - 15k	Self-explanatory	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
On completion of the investigation, the FLO forwards the completed DD 200 with all exhibits to the approving authority. When the approving authority has designated an appointing authority, the FLO forwards the completed investigation to the appointing authority.				
(E) Appointing Authority (Block 13 is completed by the appointing authority when one has been designated by the approving authority. When an appointing authority has not been designated, block 13a through b, and d through f are left blank.)				
Block 13a.	On completion of the appointing authority's review of the financial liability investigation of loss, a recommendation is made to either approve	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

12 SEP 2016

	or disapprove the FLO's findings and recommendations.			
Block 13b.	The appointing authority's rationale for the decision reached in block 13a is entered in block 13b.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 13c.	This block was previously completed, as indicated in (D) above.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Blocks 13c - 13h	Self-explanatory	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
On completion of block 13, the financial liability investigation of property loss is either: o Returned to the FLO for additional investigation or documentation of findings and recommendation, or o Forwarded to the approving authority				
(F) Approving Authority (This set of blocks is completed by the approving authority to show the approving authority's preliminary decision after the approving authority initial review of the FLO's findings and recommendations.)				
14a.	BBlock On completion of the approving authority's initial review of the FLO's findings and recommendations, has the approving authority indicated his or her approval or disapproval of the FLO's findings and recommendations? o If the FLO has recommended that all persons be relieved of responsibility and accountability for the loss, and the approving authority agrees with the FLO, the approving authority may approve the financial liability investigation of property loss and close the investigation in accordance with DOD FMR Vol 12, Ch 7, MCBul XXX. o If the FLO has recommended that person(s) be charged with financial liability for the loss and the approving authority agrees with the FLO, the approving authority must forward the financial liability investigation of property loss to the supporting officer of the Staff Judge Advocate for legal review prior to making a final decision in accordance with DOD FMR Vol 12, Ch 7, MCBul XXX. o When the approving authority makes a decision contrary to the recommendations of the FLO, either to relieve all concerned from financial liability or	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

12 SEP 2016

	assess financial liability against a new individual, this decision is entered in block 14a(1) with appropriate comments in block 14b in accordance with DOD FMR Vol 12, Ch 7, MCBul XXX.			
Block 14b.	Has the approving authority entered his or her rationale for the initial decision shown in block 14a? When a decision to charge an individual(s) with financial liability has been made, comments should be entered stating who the respondent is and the amount of financial liability to be assessed.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 14c.	Has the approving authority indicated whether a legal review is necessary? A legal review is required when: o A charge of financial liability is recommended o The recommendations appear to be inconsistent with the findings.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Blocks 14d - 14h	Self-explanatory	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
On completion of block 14, when the approving authority decides to approve a change of financial liability, he or she must forward the financial liability investigation of property loss to the supporting Office of the Staff Judge Advocate for legal review prior to making the final decision to assess financial liability.				
<p>(G) Staff Judge Advocate</p> <p>When financial liability is recommended, or when recommendations appear to be inconsistent with the financial liability officer's findings, a judge advocate or civilian attorney must review the findings and recommendations and provide an opinion on the adequacy of the evidence and its relationship to the findings and recommendations. This legal review will be attached to the financial liability investigation of property loss as an exhibit. On completion of the legal review, the financial liability investigation of property loss will be returned to the approving authority.</p>				
<p>(H) Approving Authority</p> <p>On receipt of the financial liability investigation of property loss containing a legal review from Staff Judge Advocate, the approving authority will conduct a final review of the FLO's findings and recommendations, together with the Staff Judge Advocate's legal review, and will make a final decision concerning the charge of financial liability.</p> <p>o When a decision is reached to charge an individual with financial liability, the approving authority notifies the respondent by memorandum in accordance with DOD FMR Vol 12, Ch 7, MCBul XXX.</p>				

12 SEP 2016

o When a decision is reached to relieve all concerned of accountability for the loss, the investigation will be closed out in accordance with DOD FMR Vol 12, Ch 7, MCBul XXX.